THE FINANCIAL POST

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INDUSTRY WAITS BRINGING DOWN OF THE BUDGET

Attitude of House Sustains Hope For Tax Relief

EXPENDITURES CUT

Campaign For Economy Has Effect on Members—Analysis of Business Conditions Here and in States

Business is watching Ottawa where, both on the stage of the Commons and behind the scenes, there are interesting developments, having a bearing on the tariff, and other features of the fiscal program of the Government to be embraced in the budget. The attitude of Premier King towards the deputation representing the implement manufacturers indicated either that undue apprehension had been felt regarding the tariff intimation in the speech from the throne, or that the outspokenness of certain Liberal members and the case presented by the manufacturers, had not been without influence—it will remain for the budget to clear the air.

The budget is also awaited with interest as to the Government's taxation proposals. It really looks as though the strong agitation throughout the country for less spending and reduced tax levies had been effective. The House has shown a determination to apply the pruning knife by the way in which estimates for the Parliament Buildings' tower, the Canadian building in London and the wharf in Mr. Healey's riding were held up. The Government estimates have also shown the right tendency. If this course is maintained right through until the supplementary estimates have been disposed of there will be some worthwhile cuts in expenditures with the prospect that something in the way of real relief may be offered in regard to taxes.

Some Bright Spots

Changes in the general business situation are not important. Seasonal improvement of a moderate character continues in trade. Relatively the reports from Alberta and the Pacific coast are much the best; there is considerable shipping activity at Vancouver. In the Maritimes wholesale and retail trade are reported as quiet with money rather scarce, but the outlook is hopefully regarded; there has been a big cut in lumber and heavy exports of potatoes, while the shore fisheries are yielding fair returns with improving prospects; building operations on a larger scale are anticipated. Cape Breton miners are at work and showing a disposition to avoid labor troubles; the result is a better business outlook in the mine districts than for some months.

With the metal-working industry operating, in general, at a higher rate than last March, on the verge of the season of increased activity metal markets are experiencing the accustomed expansion, according to Canadian Machinery. Shipments are of substantial proportions, with fairly heavy specifications against contracts and considerable demand for immediate supply of small lots. Orders for future delivery, however, are being placed very hesitatingly. The second quarter will be entered with many buyers still "shopping" for their requirements.

The flour milling industry continues to operate on a better basis than a year ago with a considerable increase in grindings.

Employment is Good

Practically no change is indicated in the employment situation during February; the index number of the Bureau of Statistics stood at 90.7 on the first of March, as at 90.6 on the first of February, 89.9 a year ago, and 81 in 1922. During February manufacturing as a whole reported improvement; communication, metallic ore mining, shipping and stevedoring, highway and railway construction also afforded increased employment, but logging showed a seasonal decline and coal mining, steam railway transportation and building construction reported some further curtailment.

Car loading at stations in Canada

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Quebec Does Away With Tax-Free Bonds

From Our Own Correspondent.

MONTREAL.—Quebec has decided to abolish tax exemptions in its bond issues, following the example of governments elsewhere. A bill passed at the recent session of the legislature abolishes the tax-exemption previously provided by law in bonds issued for colonization, highway development and the construction of dams by the Quebec Streams Commission.

The exemptions formerly in force applied to all succession duties. Of course, the exemptions will still apply in the case of bonds already issued but will expire with the maturity of these bonds.

Canadians Answering Call of California

A Canadian business man visiting California has been interested in making some inquiries about the number of Canadians going to that state. The manager of the branch bank in Los Angeles told him that a number of Canadians with money who were locating in the city had opened accounts with his bank, and that in one week recently these represented deposits of more than $125,000. Other bank managers intimated that they were also getting accounts of this character, but would give no definite figures, but, comments the Canadian who made the inquiries, "if they are in anything like the same proportion as the one mentioned, it must be a serious matter for Canada."

ALBERTA CATTLE FOR JAPANESE MARKETS

Wheat and Other Farm Products Already Finding Their Way to the Orient

From Our Own Correspondent.

CALGARY.—Negotiations are under way by the provincial department of agriculture to send a trial shipment of Alberta beef cattle to Japan which is only another instance of the development which is taking place in trade relations between Western Canada and the Orient.

It is the intention of the Hon. George Hoadley, minister of agriculture, to send a head official of the department with the shipment of cattle for the purpose of investigating on the spot the possibilities of opening up a big trade, not only for live stock, but for quite a number of farm products.

From all accounts, the Japanese appear to be anxious to get shipments of beef cattle, but the one great stumbling block in the way at present is that of rates. The steamship rate from Vancouver is $75 per head, and there is an additional charge of $15 per head for the erection of stalls. The Alberta department of agriculture has been negotiating with a view to obtaining a lower freight rate, with several of the shipping companies trading to the Orient.

Pat Burns, the big packer, is an ardent believer of the possibilities of the Orient for Alberta farm and dairy produce, and, as a matter of fact, it is well known that he is building up quite a large trade in butter and cooked meats.

So far as Western Canadian wheat is concerned there has already been an enormous increase in shipments and since the commencement of the grain shipping season on September 1 some 6,000,000 bushels have been exported from Vancouver. Only recently a number of representatives of Japanese importers have visited Alberta, and while here stated frankly that Canadian wheat could be imported into Japan at 15 cents a bushel cheaper than they could grow it themselves.

Will Drill Six Wells in Wainwright District

From Our Own Correspondent.

CALGARY. — Thirty-eight thousand feet of six-inch pipe, representing an investment of $50,000, is expected to arrive at Wainwright, Alta., shortly for the British Petroleums, Limited. It will be used to convey oil from the well, about five and a half miles from Wainwright, to the railroad at Wainwright. The company also purpose building two tanks of 1,000 barrels capacity each. This concern plans to drill six wells in this summer.

TARIFF BATTLE IS BEING WAGED BEHIND SCENES

Effect Will Probably Be Noted in the Budget

From Our Own Correspondent.

OTTAWA.—The battle over the tariff goes on steadily behind the scenes. It is really there that it will be lost or won. The discussion over the tariff features of the budget will not change votes. It never has done so, and there is no reason to think that it will do so this session.

Either some people have done a lot of wrong guessing, or very persuasive influences have been at work. From the very beginning of the session it has been hard to size up the situation, it having been rendered hazy by propaganda. When the government announced in its legislative programme that there would be a reduction in taxation on the implements of production some said that this meant free farm implements. It is improbable that any such thing was intended, though it is probable that a reduction in these duties was in mind.

There is no doubt that the advice of Messrs. Marler, Euler, and Raymond, to the government to be careful and not rock the boat has had effect. This was increased by the deputation of farm implement manufacturers, to whom Mackenzie King intimated that possibly the reduction in taxation might take the form of removal of the sales tax on implements.

It is a good guess that in the House the government could get by on this just as Union government retained a following among the prairie members through its cut on farm implements; but it probably would be found that this would not hold the Western public, as it did not before.

The report that Sir Lomer Gouin will lead the Liberal protectionist wing in a vigorous fight against tariff reductions is improbable. Everyone knows where he stands. He might go so far as to speak against reductions in the House; but it has been generally understood that he is going to the Senate, and men headed for the Upper Chamber usually do not make trouble for the party in power before they get there.

WESTERN CANADA WANTS BAY LINE

Organization Being Formed Which Will Endeavor to Force Action at Ottawa

From Our Own Correspondent.

WINNIPEG. — The announcement of the formation of an "On to the Bay" organization has been followed by the arrival of a mass of telegrams and letters from all parts of the three prairie provinces.

As soon as possible, that is early in April, there will be held a mass meeting in Winnipeg over which Premier Bracken will preside. Premier Greenfield of Alberta, and Premier Dunning of Saskatchewan, will undoubtedly be present and there will be delegations from many boards of trade from these three provinces.

On the local executive of the "On to the Bay" association are such men as Col. J. Y. Reid, vice-president of Robinson and Co., departmental store; Horace Chevrier, former member of the legislature, and well-known city merchant; T. J. Porte, a director of Henry Birks and Sons; Brigadier-General R. Paterson, Charles F. Gray, former mayor of the city; John A. Campbell, commissoiner for Northern Manitoba, and some others.

Sir Edmund Walker

The sudden death of Sir Edmund Walker on Thursday morning brought to an abrupt end the career of a banker whose name was outstanding in financial and commercial circles throughout Canada, and in many other countries, and a public-spirited citizen whose great and versatile ability, backed by untiring energy, enabled him to render widely varied services to the community. As Dr. Cody has aptly observed in referring to Sir Edmund's many activities. his "avocations were legion." And death came when his tasks were still highly important. Not only was he president of the Canadian Bank of Commerce, but just recently he assumed the presidency of the Toronto General Trusts Corporation. In education, in art, and in other spheres of public life, his death will leave a vacancy that will with difficulty be filled.

Sir Edmund began his banking career at an early, very early age. "I went to school in Hamilton, Ontario, at four years of age, and was ready for the Normal School in Toronto just about the time when Fort Sumter fell," he told a Toronto gathering while in a reminiscent mood, "but the doctor forbade it, and said I had better run about and get a little flesh on my bones before I did any more studying. In August, 1861, when twelve years and ten months old, I entered the office of my uncle really as an experiment in health. In such books as 'Who's Who' he is described as a private banker, but he had what in Europe is called a bureau de change—an exchange office. Here the American traveller sold his state bank notes, of which there are many hundred kinds, issued in various states, and ranging in discount when sent to New York in accordance with distance, but more so in accordance with opinion as to the soundness of the banking laws of the different states, the problem being further complicated by the existence of scores of failed banks, of forgeries and raised notes. As a result I soon became a recognized expert in counterfeit money."

It was a varied and exciting experience for a youngster, and one that was useful to him, when in 1868 he entered the service of the Canadian Bank of Commerce as a discount clerk. His ability was apparent from the beginning, and before he was 21 years old he was offered the management at Dundas, Ontario. Walker refused, saying that as he was only a discount clerk he ought to learn the routine of a bank before he became a manager. When the president personally expressed his annoyance at the refusal of what was intended as a compliment the junior said he did not wish to go where he would be forgotten.

After he had become accountant at Hamilton the Bank of Hamilton was started, and the manager of the new bank offered Walker the position of his assistant, with a much larger salary than he was then receiving.

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Dangerous Public Financing

Coming on top of a series of revelations in connection with financial administration in Ontario, the hasty action of the Provincial Treasurer in accepting the second highest tender on the issue of $3,000,000 seven months' treasury bills adds another disturbing element. Even the subsequent action in issuing an additional $3,000,000 to the highest bidder, the Continental and Commercial Savings Bank, Chicago, has not served to quiet the criticism of bond dealers.

The plan of calling for tenders is commonly accepted as productive of the best prices in the long run. To maintain its advantages, absolute fairness must be observed in considering tenders. While the treasurer is not legally bound to accept the highest tender, dealers maintain that some good reason should be given for not doing so, such as a belief that the tendering firm is incompetent to handle the transaction, etc.

The Provincial Treasurer's explanation that the Bank of Montreal, the second highest bidder, indicated that it would accept three $1,000,000 bills, reducing printing costs, is criticized in financial circles. The bank can hardly be blamed, however, for urging this point. Bond men point out that the call for tenders did not refer to printing costs. Hence they claim that this factor should not have been considered, or at least an opportunity should have been given to other tenderers to state their attitude on this phase of the tender. In this case, too, there was the danger of discouraging American tenders on such issues, as the firm discriminated against was a United States bank. Canadian public bodies must establish and maintain a reputation for fair dealing if they hope to get outside capital.

The work of the Public Accounts Committee of the Legislature during the week has cleared up several points. The mysterious Mr. Snyder, who sold succession duty free bonds to the former Provincial Treasurer under the name of the Provincial Securities Corporation, was only a messenger acting for George R. Harris, a Hamilton bond broker. The latter testified that he made profits of $25,000 to $30,000 selling securities to Peter Smith, former treasurer, at a 10-point profit without taking any risk.

In later evidence given by G. W. Hart, a former bank clerk, it was stated that tips came from C. A. Mathews, Deputy Provincial Treasurer, that money could be made selling bonds to the Department. Hart also stated that part of the profit realized was shared with Mathews.

The disclosures of poor business methods in the Treasury Department have prompted former Premier Drury to issue a statement placing the blame on Peter Smith, former Provincial Treasurer. The opinion in well-informed circles is that this is not a correct interpretation. The Cabinet, as a whole, is responsible for the actions of each Minister. In view of the special importance of the Treasury Department, the suggestion made last week by THE FINANCIAL POST that the Premier retain that Department for himself may again be emphasized. It would smooth the way to the appointment of a qualified expert as provincial finance commissioner. The irregularities now being revealed would involve much greater losses than the salary of such an official for years to come—and the losses in dollars are small in comparison with the loss of public confidence.

Private Ownership in Quebec vs. Public Ownership in Ontario

Power statistics which have been compiled by the Dominion Bureau of Statistics at Ottawa are decidedly in favor of Quebec as compared with Ontario, when analyzed on the basis of capital cost, price of power, expenses, etc. Consider the accompanying figures. The benefits of private ownership in construction and operation in Quebec as compared with public ownership and operation in Ontario are emphatically indicated.

	Quebec with taxes	Ontario without taxes	xOntario with tax added
Capital	$167,128,587	$292,715,690	
Primary power, h.p.	758,340	971,732	
Revenue	21,514,289	40,400,551	
Expenses	11,800,918	26,282,876	$32,282,876
Employees	2,447	5,287	
Output—k.w.h. (thousands)	2,539,874	3,151,460	
Population	2,349,067	2,933,662	
Capital per h.p.	$220.38	$301.23	
Revenue per 1,000 k.w.h.	$8.47	$12.81	
Expenses per 1,000 k.w.h.	$6.61	$8.33	$10.43
Output—k.w.h. per employee	1,037,954	596,077	
Output—k.w.h. per capita	1,081	1,074	

x—Includes estimated amount for lost taxes—$6,000,000 in Ontario, now being borne by the taxpayers at large instead of power consumers as in Quebec.

Ontario Hydro and municipal plants pay no taxes. On same basis as private companies these would amount to $6,000,000 to $8,000,000 per annum. Above figures are all for 1922.

The average capital cost per horse-power of plants in Quebec is $220 as against $301.23 in Ontario. The average revenue per 1,000 k.w.h. of output is $8,476 in Quebec as against $12,819 in Ontario with Ontario municipal and Hydro enterprises tax exempt, i.e., notwithstanding Ontario government credit and tax exemptions, average power rates in Quebec are two-thirds of those in Ontario. If proper taxes were charged Ontario rates would require to be 15 to 20 per cent. higher still.

The average operating expenses per 1,000 k.w.h. of output is $6.614 in Quebec as against $8.339 in Ontario without taxes and $10.43 in Ontario with proper proportion taxes. Quebec expenses are practically half those of Ontario.

The average k.w.h. output per employee is 1,037,954 in Quebec as against 596,077 in Ontario. The Quebec systems would seem to be practically twice as efficient as those in Ontario.

These figures bear out the conclusions of the Committee on Public Ownership and Operation to the National Association of Railways and Utilities Commissioners that "the results of the operations of the Hydro-Electric Power Commission" in Ontario "is not equal to the privately owned and operated, in that it does not furnish AS ADEQUATE, AS CHEAP OR AS RELIABLE SUPPLY OF POWER."

They also bear out the findings of the Gregory Commission as presented by the Commission itself.

Revolution and Free Love Are Urged for the Dominion

Menacing Condition Found at Fort William by Justice Kelly—Troubles Which Beset New Canadians Are Set Forth in Court Record

Those who have scoffed at the idea of the Red element being active in Canada will be considerably enlightened by Mr. Justice Kelly's decision in the recent court action, Brylinsky et al vs. Inkol et al, which was really an effort to oust Red agitation from control of a Ukrainian society at Fort William. So serious was the situation disclosed, that the records of the civil action are ordered held and placed at the disposition of the criminal courts, if it is deemed expedient to proceed with prosecutions as a result of the revelations made at the trial. Decision in the civic action is for the plaintiff.

The sensational evidence of the case was heard in December last just at a time when THE FINANCIAL POST exposed the activities of the worker's party in spreading propaganda through universities. In careful, but none the less forceful and pointed language, the judgment exposes the menace facing Canada from these revolutionists. Of particular importance is the exposé made of the bold effort to counteract the successful assimilation of the new immigrant. THE POST, not long ago, pictured the difficulties which beset the path of the Finlanders and Poles who came to this country imbued with a desire to become citizens in the true sense of the word, peaceful, law-abiding and thrifty. The Ukrainian faces the same difficulty. Justice Kelly makes this clear.

The Ukrainians of Fort William set up a culture society under the Ukrainian name of "Prosvita," meaning Culture. They had become Canadian citizens and were desirous of acquiring a knowledge and the requisites of Canadian citizenship and Canadian conditions of life, and in that respect improving themselves and their families. In a word, Mr. Justice Kelly says their purpose was solely improvement in education and culture and the attainment of that knowledge which would tend to make them desirable Canadian citizens. In all society events they used the outward formalities and observances usual among Canadian people, including use of Canadian and British flags, singing the Canadian National Anthem, and other patriotic songs and instruction in matters tending to the promotion among its members of Canadian ideals and Canadian citizenship.

Reds Made Entry

The Red element got its covetous eyes on this peaceful, enterprising and thrifty community. They had their hall paid for. The Reds wanted a hall. They had an organization which would lend a cloak of respectability to their efforts. They proceeded to get control of the society by

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QUEBEC BLUE SKY LAW IS REGARDED AS A FIRST STEP

Province Did Not Attempt to Provide Complete Protection

FILING INFORMATION

Chief Part of Law is Aimed at Selling of Crooked Stocks on Partial Payment Plan

From Our Own Correspondent.

MONTREAL.— Quebec's "blue sky," bill, which is now on the statute books and comes into force on proclamation of the lieutenant-governor hardly merits much of the embarrassing praise that has been heaped upon it. One writer described the act as "prescribing a closed season for wildcats," and providing for "the censorship of securities," and there has been a great deal of similar comment on the legislation. Such descriptions are wide of the mark; Quebec's legislation is different from any "blue sky," legislation anywhere on the continent and it makes no attempt whatever to provide for the regulation or government censorship of security offerings. The fact of the matter is that Quebec has taken a leaf from the book of experience of the forty or fifty governments of the United States and Canada, who have passed blue sky laws and it has decided that the ordinary type of blue sky law is not by any means a 100 per cent. efficient measure for protecting the investor.

Provides for Filing Information

Quebec's law is but the first step toward broader legislation that will be built up upon experience and it is mild in its requirements. It provides merely for the filing of certain information about new security offerings. Ontario goes this far already in its company laws, the essential difference being that Quebec calls for much more complete information than does Ontario. And Ontario provides that the purchaser of securities must be handed a copy of the statutory information. Quebec makes no such demand. The information need only be filed with the

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British Capital Awaits Only Proper Invitation

That British capital is awaiting the proper opportunity to come to Canada is evidenced by the fact that a recent issue of B. C. Electric for $3,500,000 was over-subscribed overnight by 2,400 per cent. Applications are said to have totalled $85,000,000. Winnipeg Tribune takes this as proving beyond shadow of doubt that millions of British pounds sterling are ready and willing to work in Canada provided they are gone after properly. It says:

"If a company like the B. C. Electric, dependent entirely upon the prosperity and growth of coastal British Columbia, can win the confidence of the British public to such an extent that its debenture issue is oversubscribed 2,400 per cent. overnight, it should only be a matter of a little hard work and advertising to bring British capital to this province in wholesale quantities. Vancouver stands on the Anglo-Saxon edge of the greatest potential market in the world, a Pacific buying area equal to ten Europes. Every British penny invested here, is a penny with a new lease of life and a higher profit-earning ability. It should be the business of Vancouver organizations to place that fact squarely, forcibly and continuously before the British investing public."

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THE TIMBER TAX IN B.C. KILLING LUMBER TRADE

Lumber Men Say They Must Have Relief to Continue

UNSOUND PRINCIPLE

Levies Based on Selling Price Do Not Take Into Consideration the Production Costs

From Our Own Correspondent.

VANCOUVER.—Arguing that the tax on the lumber industry based on the selling price and not taking into consideration the cost of production, is economically unsound, and that the industry cannot bear the increasing burden, W. McNeill, managing director of the Timber Industry Council of B. C., in an article in the British Columbia Lumberman, argues for a revision of the act if the industry is not to be shut down. The levy of a royalty per thousand feet board measure—with extras—was embraced in the timber royalties act in 1914, passed prior to the outbreak of the war and made effective January 1, 1915. In addition to the base rate of so much per thousand feet the act provides increases when lumber passes $18 per thousand feet. At the time referred to when lumber was selling around $12, it seemed reasonable that if the price increased to $18 the portion paid to the government might very well be increased.

It can be readily realized then how the war has upset the situation in raising the market prices for lumber to a level where the supertaxes of the government apply, while at the same time cost of production has risen in such a degree that the margin of profit to the lumber industry is very small indeed. Thus, as Mr. McNeill says, if there is not a revision of the present taxes the industry will have to close.

It is estimated that if the act is not amended the levy for 1925, on the basis of new prices, will amount to $3.50 to $3.85 per thousand feet as compared with the 50 cents to 85 cents per thousand feet which was the key rate in the act as originally passed. Pointing out that the tax is unsound, and that the growth of the industry has been retarded, Mr. McNeill says:

The growth of the industry has been greatly retarded, and the advent of new capital into the lumber manufacturing business is at a standstill, mainly because of the varying condition of the royalty rate. It was exceedingly unfortunate that the present royalty act did not take into consideration the changing cost of production as a factor in the wholesale selling price of lumber—nor was it foreseen that the dollar itself would fluctuate so in value that all old time calculations would become utterly worthless.

At the time of the passage of the act in 1914, the average wholesale selling price of lumber was between $12 and $14. The average selling price of logs to-day is not far from the $18 mentioned in the act as the lumber price on which royalty rates are calculated. The average cost of lumber is about $28 per 1000 feet. What becomes then of the increased royalty which the lumber industry has been compelled to pay since 1914? The answer is, it should never have been collected, and we should still be paying 85c., or 65c., or 50c., as the case may be.

No Avenue of Relief

The returns from twenty representative mills show that the cost and selling price of lumber production for the past four years was:

	Cost	Selling price
1920	$36.77	$41.89
1921	24.92	23.87
1922	23.93	23.71
1923	26.12	27.90

The average cost for four years was $27.68, and the average selling price for four years $28.84.

Perhaps it is natural to say that in any case the manufacturer will simply pass on the royalty charges—whatever they may be—to the consumer. But that avenue of relief even is denied to him—for the British Columbia lumberman does not make the selling price of lumber. He is subject to world-wide competition—for he has to seek the sale of his product in the markets of the world.

CUSTOMS SMALLER PER CENT. OF INCOME

Revenue Over 65 Per Cent. of Total in 1914 Now Only 30 Per Cent. of Total

From Our Own Correspondent.

OTTAWA.—Customs, which, during the fiscal year ending March 31, 1924, brought in $105,000,000 out of $160,000,000 of revenue, has during the 11 months of the current fiscal year, that is, to February 29, brought in only $110,620,000 out of a total of $363,964,000. Ten years ago customs brought in over 65 per cent. of the revenue; this year it will bring in about 30 per cent.

Ten years ago there was no sales tax; but this year the sales tax will probably produce $105,000,000, or over 25 per cent. of the total revenue collections. It has not brought in the increased collections this year to the extent that some thought it would; but it probably will be credited with an increase of $17,000,000. Customs will not be able to boast a larger increase than possibly $3,500,000.

The sales tax collections have increased by 68 per cent. during the last two years, or from $56,325,299 to $94,911,000 to the end of February. In this respect the sales tax is in a class by itself. Customs collections during the same time have increased by only about 17 per cent.

While customs collections have increased at this comparatively slow rate in Canada, they have nearly doubled in the United States during the last four years.

Drill New Wells Near Alberta-Montana Line

From Our Own Correspondent.

LETHBRIDGE.—D. A. McDonald and associates, Vancouver. entered into a working agreement with the McIntyre Ranching Company for sinking a test well 34 miles south of this city on the Milk River Ridge. Chester Thompson well of the Sanctuary Oil will be completed this season. This company has large holdings on Fakowki Lake structure, looked upon favorably by geologists. There well is now down around the 2,000-foot level. Considerable gas is said to have been encountered. Operations in the Kevin-Sunburst field are just opening up for the season. There is little oil running yet, but operators believe the Imperial Oil Company will shortly commence taking oil from the Montana field for their plants at Regina and Calgary. They are now getting their crude from the Salt Creek field in Wyoming, north of the famous Teapot Dome. The Rogers-Imperial well in section 29-1-11 is still drilling, and there is some prospect of the completion of the Baalim well on the Quarantine Station.

TARIFF RULINGS

Canadian and Foreign Decisions of Interest to Exporters and Importers

Ottawa.—Importation of bees on combs, hives and bee supplies is prohibited. The importation of bees in combless packages is also prohibited, unless such packages are accompanied by a declaration signed by the shipper that the food supplied to the bees and carried in the package is free from disease. The benefits of the intermediate tariff are extended to imports from Belgium, Luxemburg, Netherlands and all colonies and possessions of these countries.

Spain.—It is highly important that Canadian shippers of goods bound for Spain, which need to be accompanied by certificates of origin, should have the wording of these documents conform absolutely to the wording of the official Spanish customs classification for the product. A considerable number of shipments are now holding in Spanish customs houses because of the failure to have them accompanied by properly made out certificates of origin.

Japan.—In accordance with an imperial decree, the Japanese import duties of 0.55 yen per 100 kin on barley and 0.77 yen per 100 kin on wheat, which were temporarily suspended by the imperial decree of September 17, 1923, have been restored with effect as from February 26, 1924. The importation of these commodities into Japan, however, for which contracts have already been made or shipments of which are en route will not be affected by this decree, and will continue to be entitled to free entry until March 31, 1924.

Barbadoes.—No animal shall be landed in the island unless it is accompanied by a certificate signed by a Government veterinary officer or other official authorized to grant such certificate in the country from which the animal was shipped. The certificates are to show that the animal in question had not been in an area where certain diseases were known to exist. Similar precautions are taken in regard to fodder, litter, ropes, halters, etc.

COST EXECUTIVE IS NEED WITH DOLLAR STEADILY FALLING

If Department Heads Know Figures They Will Try and Reduce Them

The executive of pre-war times is not a suitable executive for to-day. Close attention must be given to costs in these days of the declining dollar, whereas in pre-war days it was a constantly rising dollar, and the question of costs did not play so important a part in the success of an enterprise as it does to-day. These are views recently expressed by J. P. Jordon, New York, president, National Association of Cost Accountants.

Naturally, he made out a strong case for the cost executive. He decried the other kinds, the one who grew up with the business, the promoted sales manager, the rich man's son; the financial executive, etc.

He admitted that with proper costs available and a knowledge of how to apply figures, experience was valuable, but the balance had changed, so what good was pre-war experience?

He favored the cost system that would show in an hour-and-a-half after a man started a job how it was going. Was the man fitted for the effort, or was he wasting his time. and was the firm losing on the operation?

He also saw advantage in letting department heads know costs. Many feared doing this. The information might get to a competitor. He saw an advantage in this. It would result in co-operation, and co-operation in industry was desired. Department heads knowing their costs were being checked would eliminte time-killing. He instanced a case where the foreman of a plant made a reduction of 40 per cent. in overhead soon after he got the first time sheet and perused the time cards to see who got the high wages.

English Interests Are After St. John Dry Dock

ST. JOHN.—The St. John Dry Dock and Shipbuilding Company, is preparing for a busy spring, summer and fall. The various plants of the company were opened last November, and have been operated steadily ever since. Starting in April, it is expected that the dry dock in particular will be very busy. Recently, an alliance has been formed with the New Brunswick Power Company, by which the power plant of the St. John Dry Dock and Shipbuilding Company will be utilized by the New Brunswick Power Company, for the supplying of additional power, to be sold to the latter firm's customers.

Controlling the St. John Dry Dock and Shipbuilding Company is Ontario and Quebec capital, with English capital also interested. Although no official announcement has been made, an important merger with one of the large English dry dock and engineering companies is rumored.

Income Tax for Corporations

By ARTHUR H. ROWLAND, Montreal.

The question of treatment of British Columbia Income Tax for federal income tax purposes is of interest to a good many corporations who transact a Dominion-wide business. The British Columbia legislation imposing income tax deals also with other taxation. The various taxes may be approximately described as "taxes on property," and "taxes on income." The province reserves the right to levy the larger assessment. that is, if the property tax is larger than the income tax, the property tax is payable, and vice versa. The department has ruled that to the extent that the British Columbia income tax is in excess of the other taxes provided for in the British Columbia taxation law. that the excess is not a proper deduction in arriving at Dominion income tax. On the other hand, the other taxes provided for by the British Columbia Act, which must be paid whether the taxpayer concerned makes a profit or not, are deemed to be proper items of expense in the carrying on of the business. and are allowed as such in arriving at taxation under the Dominion law In other words, the difference between the British Columbia property tax and British Columbia income tax is reinstated to income in calculating this under the federal law.

Other Income Taxes

You are aware that Canadian corporations are taxable upon the income derived from the whole of their operations, and the fact that such operations may be carried on outside of the Dominion makes no difference to their liability, unless all their business and assets are carried on outside of Canada, in which case they come under a special clause of the Act, which makes them non-liable to taxation. In the case of Canadian companies carrying on business throughout the Dominion, and, say in Great Britain and the United States, such companies come, of course, within the purview of the British and United States income tax authorities with whom they necessarily have to settle.

In order to avoid duplication of taxation within the Empire, and as a result of legislation by the United States, in calculating such companies' Canadian taxes, the British and United States tax is deductible from our tax if the rate is lower than ours or if the rate be higher than the Canadian rate the whole of the income originating in Great Britain or the United States is deducted and is not taxed by us at all. The effect of this, you will appreciate, is that exemption is given on income arising in Great Britain or the United States to the extent of the Canadian tax, but no more.

I have mentioned British Dominions and colonies, and in this connection I may say that, owing to the growth of Canadian interests in the West Indian colonies, and in other British Dominions, claims under this heading are by no means confined to income taxes imposed by Great Brtiain and the United States, but extend in respect of a considerable number of other parts of the Empire which have found it necessary to adopt income taxes.

In the case of non-Canadian companies, that is to say, branches of concerns domiciled abroad, perhaps in Great Britain or the United States, transacting business in Canada, the Canadian profits are taxable to their full extent, and no attention is paid by us to the taxes, for which the parent companies may be liable in their own country, in respect of income on Canadian business. The countries mentioned, it is understood, grant rebates in respect of such Canadian taxes, which makes the complement to the Canadian arrangement outlined above.

Insurance Companies

As you are doubtless aware, stock life insurance companies come within the purview of the Income War Tax Act only so far as their shareholders' accounts are concerned.

British and foreign casualty companies doing business in Canada, of which there are a very great number, under the Insurance Act, are bound to maintain with the receiver general at Ottawa certain deposits of securities, but the interest which the companies receive upon these securities has been held to be non-assessable under the provisions of the Income War Tax Act.

Fire insurance companies are not allowed to deduct any provision for a conflagration reserve in arriving at their taxable income, and hail insurance companies are not allowed to deduct the 50 per cent. reserve which they are required to set up under the provisions of the Insurance Act of 1917.

Taxes as a Lien

With regard to Section 10 of the 1923 amendments, which "inter alia" provides that all taxes, interest, and penalties, payable under the Income War Tax Act shall be considered as a lien upon the assets of the taxpayer, both real and personal, it may be mentioned that this particular section of the Act is deemed to have come into force at the commencement of the 1924 taxation period, that is at the 1st January, 1924, but as taxes. interest, and penalties, in respect of the year 1924, or of accounting periods ending therein, are not payable and do not begin to accrue until the 30th April, 1925, the lien does not become active until that date.

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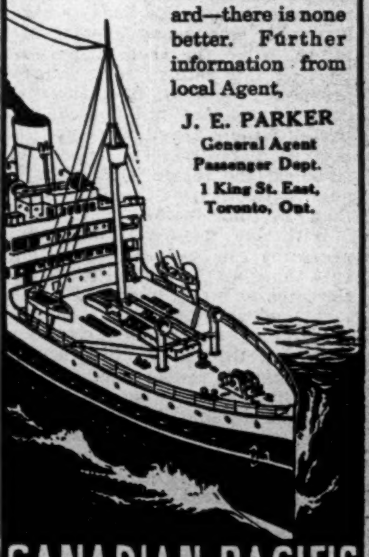

CANADIAN PACIFIC

THE ROYAL TRUST Co
EXECUTORS AND TRUSTEES

Shares For Sale.

THE undersigned will receive tenders up to and including Saturday, the 5th day of April, 1924, for the purchase of eighteen shares of the Common Stock of Toronto Brick Company, Limited, the said shares having a par value of One hundred dollars per share. The highest or any tender submitted not necessarily accepted.

THE TORONTO GENERAL TRUSTS CORPORATION,
253 Bay Street, Toronto.

Toronto, March 24th, 1924.

A DETAIL

The Owner who treats the subject of a contractor as a detail is apt to get a contractor who feels the same way about the Owner.

THOMPSON-STARRETT
Company, Limited
Building Construction

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RESULTS FAVOR PRIVATE OWNERSHIP UTILITIES

An American Committee Reports on the Situation in Ontario

PRICE COMPARISONS

While Prices in United States Have Been Reduced Since 1914, They Have Shown Increase Under Hydro

In view of the far-reaching character of the report and recommendations of the Gregory Commission relating to the affairs of the Hydro Electric Commission's projects in Ontario, report of the Committee on Public Ownership and Operation to the National Association of Railway and Utilities Commissioners of the United States dealing with the same situation is of both interest and importance.

After thorough investigation of Ontario's Hydro undertaking the committee reports that "publicly owned and operated hydro-electric generating utility is not equal to the privately owned and operated, in that the former does not furnish as adequate, as cheap or as reliable supply of power; that the construction of new plant facilities of the publicly owned generating utility does not appear to be to the economic interest of the people, particularly in the matter of initial capital expenditures; that the alleged elimination of taxes does not exist and is a perverse of the truth, the taxes simply being shifted from the actual consumer of the current to the property-owning taxpayer; and that the invested outlay of capital is less, is more judiciously made, and is better protected from extravagance in the case of the privately owned generating utility than that of the publicly owned generating utility." The report later reiterates: "We are unable to find any facts or figures which would tend in any way to disprove this conclusion."

Regarding public ownership in the United States the report declares that "about 560 municipal electric plants have been either abandoned or sold to private companies." In the United States 4,106 private companies are serving 93 per cent. of the population of the country; in 1922 the private companies produced 96 per cent. of the electricity and municipal plants 4 per cent. As to comparative prices, it is pointed out that average rates received by municipal plants are much higher than those charged by the other group, as indicated by the fact that while they sell only 4 per cent. of all current they receive nearly 8 per cent. of all income from sales.

The committee strongly recommends private development and operation as compared with public development and operation, but advocates co-operation between public bodies and private capital in the control of enterprise and service in the public interest:

> We believe that the present high state of efficiency and the marvelous strides accomplished in the development of the electrical art and industry could only have been achieved through private ownership and operation. The entire history of municipal operation has shown a complete absence of co-operation or constructive work which would tend to develop or advance any branch of the science and industry, and which development is so well brought about only through the co-ordinated action made possible under private ownership and control. Indeed, the very lack of this incentive exists throughout the political system of the United States, owing to short tenure of office, vagaries of conventions and elections, etc.
>
> Your committee deems it proper to remark that the operation and development of public utilities with private capital under private ownership, but subject to state and federal regulation and supervision as to adequacy of service at reasonable rates and other administrative regulations, are well-established principles in our social and industrial life.
>
> Public regulation of private utilities partakes of practically all the advantages claimed for public ownership, without governmentally assuming their burdens, if public regulation fails, public ownership as an economic enterprise is bound to fail.

Increases in Ontario

It is significant that while in the United States, in spite of constantly increasing costs of labor construction and materials, the average electric light and power rate is 5.1 per cent. lower than in 1914.

In Ontario, Toronto for example, the rate per horse power has been increased from $15 per horse power in 1914 to $22 per horse power in 1922, an increase of nearly 47 per cent.

A Menacing Debt

A warning against the increasing municipal and government debts, and the dangers of public ownership in this connection is issued by the committee:

> In view of the rapidly increasing municipal and state indebtedness due to purely governmental functions, it should at once be apparent that the public utilities should be owned and developed through private capital and regulated by the state, rather than attempt by the government to enter into this business with the increased tax burden which necessarily follows and which is ordinarily accompanied by inefficient management and stagnation.

Public as Owners

Attention is also directed to the fact that private ownership of utilities is in effect becoming public ownership in the wide distribution of the securities of the private companies:

> In no other industry is there such a diverse ownership by the public. No less than 2,000,000 stockholders own the electric light and power companies, of which more than 6,000 own the securities of the companies directly serving them. The customer-ownership idea has gathered such impetus that it is sweeping forward throughout the country. One electric light and power company alone has more than 62,000 customer-owners. In the year 1922 more than $175,000,000 of securities of electric light and power companies were sold to the customers of those same utilities, and it is estimated that approximately $300,000,000 of the new capital was raised during the year 1923 by the sale of junior securities to the customers of the companies. Thousands of banks in every part of the country are investing the bank deposits in bonds of electric light and power companies and other public utilities, and the life insurance and fire insurance companies are aiding in the development of an electrical nation through similar investments as trustees for their policy-holders. This means that every bank depositor and every policy-holder is an indirect owner of the securities of the public utilities serving the people of the nation.

ADD TWO COUNTRIES TO FAVORED NATIONS

Lower Tariffs on Imports From Netherlands and Belgium Forecast

Belgium and Nethelands are soon to be placed in the favored nations group by Canada. This means that lower tariffs will apply to imports from these countries. Details have not as yet been announced. It is understood that the tariff to apply will be the lowest tariff now applying to any foreign country. This means that not only will the intermediate tariff apply to such imports, but also that the special rates, accorded in the French treaty, will apply to Belgium and Netherlands.

Perhaps the most important item to be effected will be electric light bulbs. These have been imported in substantial quantities from Netherlands and some from Belgium. Hardware and Metal says that the elimination, some months ago, of the regulation under which imports must be entered for duty at a value representing not less than 50 per cent. of the normal value of the currency of the country of origin, helped imports of these lines very greatly, due to the advantage which could be taken of depreciated currency in computing values for duty.

MINERS SATISFIED TO STAY AT WORK

And Evidently the U. M. W. Headquarters Prefer Having Dues to Using Authority

From Our Own Correspondent.

SYDNEY.—Despite the fact that the miners of Nova Scotia failed to endorse the Montreal agreement they are still in standing with the U. M. W., and their union dues, amounting to $40,000 annually, are evidently welcome at Indianapolis. Apart from some uncertainty, the result is that the industrial outlook in the East is the brightest it has been in many months. Nearly all the mines of the British Empire Steel Corporation on both sides of Sydney Harbor are working full time, banking coal against the opening of the St. Lawrence to navigation, while pits in Cumberland and Pictou are producing steadily for the railway and local domestic markets.

The miners are evidently satisfied to continue work at fair wages and make some money. Little attention is paid to either James B. McLachlan and his communist propaganda, or to the rather clumsy opposition being provided by the local representatives of the U. M. W. With the approach of a provincial election, however there is a tendency to stir up old issues involving the policies of the British Empire Steel Corporation and this does not tend to help the situation.

SALES TAX OPTION WILL HIT RETAILER

Do Not Like Non-Absorption—See Loss Coming When Tax is Abolished

After nearly three months' experience, dry goods retailers are found to generally favor the new sales tax, with the exception of the feature which makes the absorption of the tax in the price optional. They would have the tax included in the price of the merchandise. Dry Goods Review sent a questionnaire to its readers, and the above was the consensus of opinion of these retailers. They represented 72 per cent., while 24 per cent. were in favor of a turnover tax. From the data gathered it would seem that about 50 per cent. of manufacturers are absorbing the tax, One northern concern, in order to avoid confusion resultant from absorption and non-absorption, and losses resultant from taxes that have not been absorbed, have taken the stand that where the tax is not included in the price to them as retailers, goods cannot be accepted.

Some retailers are looking ahead, and one Western Ontario department store head sees a loss coming when the tax is done away with, because of non-absorption. He says:

> "One serious outlook is the date at which the present form of sales tax may be removed, at which time all stocks will be worth approximately six per cent. less. Such a condition is unsettling. We have recently come through heavy deflation of values which has cost all owners of stock considerable losses. One reason for introducing the present system was to have the tax buried at the time it reached the merchant. This plan has not been properly carried out because, while the wholesaler lives up to the proper arrangement, the manufacturer does not."

PRIOR LIEN FOR INCOME TAX HITS LOAN BUSINESS

Has Effect of Rendering Property Titles Uncertain

From Our Own Correspondent.

REGINA. — Declaring that the amendment to the Income Tax Act, passed at the last session of the Federal parliament, is going to make it almost impossible for loan companies to carry on business, D. A. McNiven, M.L.A., Regina, referred to the matter at some length in the Saskatchewan Legislature this week, presenting the difficulties facing the loan companies in the following statement:

"At the last session of parliament an amendment to the Income Tax Act was passed whereby on the first of May following the year in which the income tax becomes payable any amount so payable becomes a charge upon all real and personal property owned by the income tax debtor, and takes priority over every transfer, mortgage or charge of any kind upon real or personal property executed after the date upon which the lien is created without notice of any such lien, the only exception made is in the case of a bona fide sale of personal property that does not come within the operation of the Bulk Sales Act.

"This amendment means that after the first of May, 1925, it will be necessary to obtain a certificate from the Income Tax department before any mortgage or other charge on property can be safely completed, and failure to do so will render the property purchased, or the land mortgaged, subject to the lien for any tax payable by the income tax debtor. As a lien in favor of the Crown exists for the amount payable in any particular year it follows that if the income tax department should make an error furnishing the certificate, or if the income tax debtor should, either through design or otherwise, make an error in his return, which is subsequently ascertained, that notwithstanding any certificate from the department the land transferred or the mortgage created would still be subject to the statutory lien in favor of the Crown.

"The amendment is going to make it almost impossible for loan companies to carry on business as they can never be absolutely certain that the mortgage, which has been created will be a first charge on the property, and is going to cause further embarrassment through the delays necessarily occasioned in obtaining certificates from the income tax department at Ottawa. The difficulties in this matter with which the loan companies are faced will be equally applicable to every individual who takes mortgage security, and to all individuals, who are either buying or selling land.

"The amendment sems to me to be particularly objectionable as an unwarranted obstacle in the progress of legitimate business without commensurate returns, and the amendment has met with a violent protest emanating from land corporations, mortgage loan associations and boards of trade, as well as innumerable individuals.

The Trend of Business

TO forecast correctly trade developments is of vital importance to the man of business.

Our Monthly Commercial Letters, which will be sent on request, contain analyses of agricultural and trade conditions of great assistance in reaching sound conclusions.

672

THE CANADIAN BANK OF COMMERCE
Capital Paid Up $20,000,000
Reserve Fund $20,000,000

MILESTONES IN CANADIAN HISTORY
1865 to 1923

1869 The Hudson's Bay Company agreed to relinquish to Canada all its powers of government in the vast territory over which it held domain by virtue of the grant made by Charles II to Prince Rupert and his Gentlemen Adventurers.

With this expansion in the territory of the Dominion came also an expansion in the activities of the Union Bank of Canada.

The first branch outside the city of Quebec was opened at Montreal in 1869—the initial one of the chain of branches which now serves the people of Canada from coast to coast.

UNION BANK OF CANADA
956

FURTHER FACTS
REGARDING FARM IMPLEMENTS
No. 3 of a Series

Implement Prices Offer Greatest Value

IT has been shown that the present prices of farm machines are the results of certain factors which the implement maker is absolutely unable to control and that these prices are relatively low compared with the cost of material, labor, and transportation, all of which enter into the production. How do these machine prices compare with those of other commodities?

The only practical way to make this comparison is on a price per pound basis. This is quite reasonable when the materials pass through similar machine shop and factory processes and are treated by a like class of labor.

Comparison of Prices

A group of fifteen basic farm implements and a like number of other articles commonly used on a farm have been chosen. These have all been taken at the price prevailing in Ontario. To compare with prices outside of this Province, freight charges must be added. The table in the centre shows the result. The price of implements includes freight charges to the farmer's station, sales tax and moreover the well-known, highly appreciated service that Implement Companies give. The other commodities chosen are not high-priced goods, but articles which are used every day and the prices of which are accepted as fair by all buyers.

Implement Prices Lower than other Commodities

	per lb.
Dump Rake	12c.
Disc Harrow	15
Mower	13
Binder	15
Hay Loader	15
Cultivator	13
Spreader	10
15-Disc Drill	14
3-Section Drag Harrow	13
Sulky Plow	15
Pulper	11
Straw Cutter	14
Land Roller	9
Wagon Gear	14
Wagon Box	13

Average Price per pound of Implements, 13.5 cents.

	per lb.
Cheapest Automobile	36c.
Pipeless Furnace	14
Stove—Kitchen	15
Bath Tub	20
Wash Boiler	42
Pitch Fork	36
Frying Pan	32
Axe	41
Coffee Pot	100
Washing Machine	22
Sewing Machine	45
Vise	29
Coal Scuttle	37
House Force Pump	26
Kitchen Cabinet	17

Average Price per pound of Foregoing Articles, 25.4 cents.

A Demonstration of Values

It is interesting to note that if a 5-foot Binder were bought at the per pound price of the cheapest automobile, it would cost $556.56 instead of $252.00, a Mower would cost $266.40 as compared with $102.00, a Hay Rake $159.48 instead of $57, and a Farmer's Friend Gang Plow $267.84 instead of $136.00.

Implements are Money Makers for the Farmers

It is clearly evident that farm implements offer the greatest value for the farmer's dollar, and if retrenchment is necessary it should not be in equipment. Money spent on farm machines, unlike that spent on many other articles, helps the farmer to increase his earnings and enables him to purchase his other requirements.

Implement Prices Offer the Greatest Value for the Farmer's Dollar

MASSEY-HARRIS COMPANY, Limited
ESTABLISHED 1847
Toronto, Montreal, Moncton, Winnipeg, Brandon, Regina, Saskatoon,
Swift Current, Yorkton, Calgary, Edmonton. - - - Agencies Everywhere

Long Term Bonds

Every trust of long duration should contain a large proportion of long term securities. Highest grade bonds available for this purpose are represented in the following, which sell to yield from 5.05% to 5.25%.

Canadian National Ry. (Dominion Guaranteed)
5% Bonds, due February 1st, 1954, payable in Canada.

City of Montreal
5% Bonds, due September 1st, 1958, payable Canada and New York.

We invite you to consult us.

DOMINION SECURITIES
CORPORATION LIMITED
HEAD OFFICE: TORONTO 26 KING ST. E.
MONTREAL ESTABLISHED 1901 LONDON, ENG.

We offer

Jamaica Public Service Co., Limited

7% Cumulative Preferred Shares

Net earnings available for the payment of dividends during the past four years have averaged over 2.40 times dividend requirements. These earnings are being constantly increased through the efficient management and operation of the properties by Stone & Webster, Inc., the year 1923 showing an improvement of more than 20% over 1922.

PRICE: 95 and accrued dividend yielding 7.38%

Æmilius Jarvis & Co.
Established 1891 LIMITED
293 Bay Street, Toronto
Montreal Ottawa London
Also New York and London, Eng.

News and Views for Investors

INVESTMENT STOCKS

Bond trading has been a little brighter, but the same cannot be said of the investment stocks. Bank shares, especially those of the large banks, are all weaker to-day than a week ago. In some cases the declines were 3 to 5 points. Bell Telephone and Consumers' Gas, two other investment issues, declined a point or so. The latter is now selling six points below the year's high.

BEAVER TRUCK

Re-organization plans for Beaver Truck are reported to have been worked out, and will shortly be sent to shareholders. Recently action was taken to set aside an agreement made by J. E. Beatty Co. with H. R. Williams, former manager of Beaver Truck, to purchase stock. Misrepresentation is alleged. In the meantime further stock sales are held up.

BELL RIGHTS

Bell Telephone rights seem in heavy demand. They are now selling at 5⅜, the highest point since trading commenced on Jan. 16. Trading opened on that date at 4½ - 3¾, moved up and down from 4½ to 5, but since March has not sold below 5. Total sales to date are 23,469. The advance in price and the declining sales total would indicate that the rights are getting scarce.

CANADA BREAD

Canada Bread common shareholders will this week receive their 4 per cent. dividend. This will be at a rate of 3 per cent. for 1923 and 1 per cent. for the first quarter of 1924. The total involved is $100,000. The last disbursement on this stock was in 1917, when 2 per cent. was paid. Directors indicated, at their last meeting, that further disbursements are to be expected in 1924.

DOMINION SUGAR

Dominion Sugar, with extensive plants in the sugar-beet area at Chatham and Wallaceburg, has reorganized. The company desired to increase its capital, but preserve the name, so it was decided to liquidate the old company and buy the assets. To facilitate the surrender of its old charter and secure a new one with the same name, but with a much higher capital, the company has gone through a voluntary liquidation, in which the total assets are shown to be $10,967,000 and liabilities only $360,000.

The old company had only $3,000,000 capital outstanding, all common. For each $100 share in the old company, shareholders will receive the following securities of the new: one share $100 par, six per cent. debenture stock, $100 redeemable six per cent. preferred and ten shares of new no par common stock.

LAURENTIDE COMPANY

The merger of St. Maurice Valley paper companies, mooted early in the year, has subsided into obscurity. This does not mean that the merger is a dead idea. Negotiations have continued to the end of joining up some of the companies, and it is now certain that there will be a merger, but somewhat different from the original. Plans are for continuance of Laurentide as a separate entity and the purchase by Laurentide of the other companies in the valley. This plan removes the greatest objection to the former merger. The Laurentide people have steadfastly declined to consider any proposal to have their company gobbled up by a larger one, even on excellent terms. The Laurentide tradition is too strong, and it has been found necessary to recognize this tradition. Laurentide will remain not only as the king pin of the merger but as a larger company.

DETROIT UNITED

As announced by President Elliot G. Stevenson, at the annual meeting held recently in Detroit, an issue of $7,500,000 by Detroit United will be offered shortly by a New York house.

This company anticipates linking up many lines to cut miles off various routes, thus affording better facilities for the handling of freight. Additional lines will probably be built between Oakwood and Dearborn; Dearborn and Farmington Junction; Pontiac and Oxford. The company owns 26 acres of land at Rockwood, on the River Rouge, and it is expected that a terminal will be erected there. To cope with opposition of the autobus service, it is essential that the D. U. R. must so arrange their various routes so as to avoid undue delays. If the present plans are adopted, the journey between Port Huron and Detroit, a distance of sixty-two miles, will be shortened by thirty-three minutes. Time will also be saved on their other lines.

By keeping cars in the outskirts where they can run thirty-five to forty miles per hour instead of in a city, where their speed is four miles, this company will be able to combat their opposition more successfully, according to Financial Service.

CANADIAN GENERAL ELECTRIC

Having in mind the possible expansion of the electrical industry in Canada, and the necessity of extending manufacturing facilities, it was probable that for some time to come Canadian General Electric will conserve its cash resources and to use its surplus earnings, after payment of dividends on the preferred stock, to provide for such extensions, rather than for the payment of dividends on the common stock of the company, according to President A. E. Dyment. Since 1893 dividends on the common shares have amounted to $11,964,725, in addition to which there was a stock dividend of 20 per cent. in 1921, which swells the common stock disbursements to $13,764,725.

CONSOLIDATED SMELTERS

"Smelters" report does not contain any suggestion of an early increase in the present 6 per cent. dividend. J. J. Warren, the president, states:

"Though your directors felt that they would have preferred the cash position of the company to have been stronger before resuming dividend payments, they realized the long period during which dividends had been suspended, and in December last authorized the payment of a 6 per cent. dividend for the year 1923.

"The increased production shown in the accompanying statements demands increased working capital—while the development of your mines and the extension of your plants call for still more funds—then your treasury should be made strong so that in case of a reaction in the metal markets you could maintain your operations without borrowing from your bankers. Your recent experience in this connection demonstrates that the accumulating of adequate cash and liquid assets is the only prudent policy to pursue.

"It is not deemed advisable to issue any more securities for the present—in fact, the plan is to pay off as soon as possible the remainder of the $2,000,000 loan shown in the 1922 statement. You will notice that $500,000 was repaid on this loan during 1923—it now stands at $1,500,000.

"At the same time, the policy of your board is to favor such distributions of profits to you as conditions warrant from time to time."

Arsenic Sales Netted Silver Mines $582,794

The boll weevil may be a bad thing for the Southern cotton crops, but it is a good thing for Northern Ontario silver mines. In 1923, the market was strong for arsenic, and the silver mines marketed 5,158,785 pounds of white arsenic, worth $582,794, an increase of 25 per cent. over 1922 sales. Calcium arsenate brought an average price of 7.28 cents per pound in 1922, and 11.28 cents in 1923. Cobalt metal commanded an average price of $2.53, and the oxide, $1.93 per pound.

UNEVEN TREND TO MARKET: NEW YORK DEFINITELY BREAKS

No Volume to Trading While Weakness is General Throughout List

The uneven price movement has continued a feature of the Canadian stock exchanges. There has been practically no change in the last three weeks. Brokers report the volume of business negligible. The investing public is waiting. That is the explanation of street leaders. They say the market seems hanging in the balance, between a further decline and a possible rally.

In the meantime a definite weakness has developed at New York and some brokers emphasize the fact that this should not be lost sight of. New York exchanges, like those of Canada, have followed the uneven trend for weeks. The first break appeared at New York. Now the lull there is over. All classes are affected, which would seem to indicate that it is a definite downward trend and not a momentary weakness.

Leading students of the market have been looking for this. They contend that while there are really no outstanding weak spots to the market, that the general outlook for business is not encouraging. The dollar is declining. Business being booked is on a closer margin. Profits are thus narrowing steadily. Big orders being booked by some industries do not spell the profits heretofore enjoyed, or add the same equity to stocks. In other words, as one broker sizes it up:—

"The speculative era is over, and from now on operations of manufacturers and merchants of necessity will be carried on on the basis of merchandising profits. Although some students of the business outlook are expecting higher prices, business policies should not be based on any such expectation. Indeed it cannot even be safely assumed that present prices will be maintained. The situation is, in any event, perfectly healthy, perhaps the best seen in a decade."

This would indicate a pessimism from a market viewpoint, but optimism from a stability point of view for business and this is bound to sooner or later make itself manifest in the market. Hayden and Stone strike another note. They point out that business should expect no inventory losses, but also call attention to the declining profits. They say:—

"While inventories show quite an increase over those of twelve months ago, the close buying that has been practised for the last three years means no disaster in this direction. Corporations generally, are in good financial shape. If they are to operate at somewhat less profit, at least there should be no large losses. Then there is the knowledge of ample credit reserve. There are, in short, no really sore spots, but declining price and diminishing profits do not spell rising prices for stock equities."

Turn First Sod For Alloy Steel Plant

Dominion Alloy Steel this week turned the first sod on the first unit of its plant at Sarnia. Pres. W. B. Boyd and Mayor G. A. Andrews, Sarnia, officiated. Contracts for the foundation work have been placed with Thomas Grace. Construction engineers and a large force of workmen are already busy on the property. It is expected that the first unit will be completed and in operation by the end of September next. Contracts for building and equipment are to be placed early next week. The Canadian National Railways have completed their survey and plans of the property with a view of placing a spur line to the company's plant. Hydro Electric Power arrangements have been completed, and ample supply of power is assured.

MONARCH MORTGAGE

The annual report of Monarch Mortgage and Investments, Limited, for the year ending 1923, shows gross profits for the year amounting to $19,221. Net profits, after deducting cost of management, etc., amounted to $14,664. Added to this, the surplus from last year of $1,282 gives a total balance of $15,947, out of which dividends at the rate of 8 per cent. per annum were paid, as have been paid since its inception. The management express the belief that 1924 will be a year of even greater prosperity for the company, due to the fact that arrangements have been completed to furnish the company with additional working capital.

Public Utility Earnings

BRAZILIAN TRACTION

Jan., 1924	1924	1923	Increase
Gross	$2,128,185	$2,025,480	$102,705
Op. exp. ..	783,115	758,171	24,944
Net earn. .	$1,345,070	$1,267,309	$ 77,761
Aggr. Gross frm. Jan. 1	$2,128,185	$2,025,480	$102,705
Aggre. Net frm. Jan. 1	$1,345,070	$1,267,309	$ 77,761

The operating results have been converted from milreis into dollars at the average monthly rates of exchange.

SOUTHERN CANADA POWER

February	1924	1923	Incr.
Gross. earn. ..	$ 94,045	$ 78,637	$15,408
Oper. exp.	41,757	34,283	7,474
Net earn.	$ 52,288	$ 44,354	$ 7,934
Five months ending February—			
Gross earn. ...	$444,127	$389,277	$54,850
Oper. exp.	149,401	172,208	23,193
Net earn.	$248,726	$217,069	$31,657

Railway Earnings

CANADIAN PACIFIC RAILWAY

Week end.	1924	1923	Change
Mar. 21	$3,401,000	$2,886,000+	$515,000

CANADIAN NATIONAL RAILWAY

Week end.	1924	1923	Change
Mar. 21	$4,671,198	$4,167,999+	$503,199

King Edward Merger Has Been Put Through

King Edward Hotel Co. and King Edward Construction amalgamation has been consummated. Negotiations to this end have been going on some time. New plans call for a $3,500,000 refunding bond issue, of which $2,500,000 will take care of the first mortgage held by Metropolitan Life with the other million to pay the debts of the two companies and provide working capital. Eight per cent. debentures are to be exchanged for the holdings of Construction Co. shares. Pres. F. Dudley said that business, month by month, in 1924, showed an increase over the corresponding period of last year. Gross earnings of the Hotel Company had been showing an increase from year to year, and should the increase be equal to 10 per cent. in the current year, the earnings would be sufficient to take care of depreciation and depletion allowances, sinking fund requirements, interest charges, and leave a sum of 10 per cent. or better available for the common stock.

WESTINGHOUSE YEAR PROVED QUITE STEADY

Made Good Profits and Booked Biggest Single Electrical Order Ever Placed

Canadian Westinghouse net earnings in 1923 were $1,021,474. Manufacturing profit was $2,208,883, while bond, bank interest and miscellaneous earnings, less administration, selling and general overhead and taxes, left $1,393,474. Depreciation pension fund charges and Dominion taxes reduced this to the net. Dividends took $742,790, leaving $278,684 for surplus which now stands at $2,891,365. The dividend disbursement was on a 10 per cent. basis, this including a 2 per cent. bonus.

The company had a steady manufacturing year which yielded a satisfactory income. Demand for larger capacity hydro-electric generating units marked the business in the early stages of the year and the company got its share, including what is termed the largest individual order for generators placed in any part of the world, 300,000 h.p. H. H. Westinghouse, chairman of the board, says:

"Demand for radio apparatus has been large and increasing, while, intermediate of these, the broad field of supply to the multifold industrial uses of the country has been active in only an average degree. The harvest yield and other factors favorably affecting the underlying commercial position of the Dominion, by contributing to the year's advantageous balance of trade, had not had time to appear in increased consuming power of the public and thereby influence the general industrial situation sufficiently to materialize any considerable increase in orders for this class of apparatus before the end of the year.

"The influx of orders for large capacity units, taken in the light of the prospect for continued development in exploitation of the abundant water power resources of Canada, indicated the desirability of providing appropriate additions to plant for facilitating production in this line of work. Accordingly, during the year, some essential additions have been made to the large machine tool equipment of the plant, and the construction of a new pattern shop and foundry, with modern arrangements for economical handling of large work, have been put under way."

Profit and loss statement follows:

	1923	1922
Earnings	$2,208,883	$1,776,154
Expenses, etc. .	884,568	818,795
	$1,324,315	$ 957,359
Frm. int. on bds.	20,077	20,147
From. bank int.	49,081	49,689
	$1,393,473	$1,027,195
Depreciation ...	212,000	200,000
Taxes	120,000	85,000
Pension fund ..	40,000	....
Net earnings ..	$1,021,473	$ 742,195
Dividends	742,790	593,932
	$ 278,683	$ 148,263
Bal. forward ..	2,612,681	2,464,418
Balance..	$2,891,364	$2,612,681

SHAREHOLDERS PASS ON BRICK MERGER

Consolidation of Three Companies Gets Their O.K.—Terms of Deal

From Our Own Correspondent.

MONTREAL.—A better position for shareholders is expected from the consolidation of Atlas Brick, Interprovincial Brick and Interprovincial Clay Products. Besides effecting savings in accounting, the merger gives the company an aggregate capitalization sufficient to make its shares more readily marketable. The companies have in the past operated practically as a unit, and the merger means little change from an operating standpoint.

Shareholders approved the merger this week on the following terms:

Interprovincial Brick

Preferred. Holders of $140,700 of old 7 per cent. preferred receive $140,700 of new 8 per cent. preferred.

Common. Holders of $200,000 of old common receive $150,000 of new 8 per cent. preferred and $370,000 of new common.

Atlas Brick

Preferred. Holders of $145,100 of old 8 per cent. preferred receive $145,100 of new 8 per cent. preferred.

Common. Holders of $200,000 of old common receive $200,000 of new common.

Interprovincial Clay Products

Preferred. Holders of $147,900 of 8 per cent. guaranteed preferred receive $147,900 of new 8 per cent. preferred and $29,580 of new common.

There is no common of this company.

It is planned to list the new stocks on the Montreal Stock Exchange.

GOODWIN'S PROFITS LARGEST IN HISTORY

Shake-up in Store Serves the Purpose of Improving Company's Position

From Our Own Correspondent.

MONTREAL.—Goodwins, Limited, following the example of Holt Renfrew, has produced an annual financial statement that has proven decidedly surprising. Profits are shown that represent a very considerable increase over those of the previous year. In fact, profits are at a level that establishes a new high record for Goodwins.

The report is of significance outside the circle of investors in the stock, for Goodwins is a merchandising organization, operating one of Montreal's large and important departmental stores, and a profitable year for Goodwins may be taken as evidence of excellent buying power among the people.

Other factors beyond increased purchases of goods have contributed to the Goodwins showing. Methods have been thoroughly reorganized in the Goodwin store during the past year; there has been a shake-up in the operations of the store, to the end of promoting greater merchandising efficiency. Working capital was increased by the placing of a mortgage on the company's property which served to pay off the existing bond issue and provide additional liquid funds.

Profit and loss account figures for the past three years compare as follows:

	—Years Ended—		
	Jan. 30 1924	Jan. 31 1923	Feb. 1 1922
Profits	$ 508,489	$ 306,539	$ 323,867
Deduct:			
Interest	111,776	110,058	106,652
Depn.	90,000	85,000	85,000
B. D. res.	10,000	10,000	10,000
Staff bonus res.	10,393	......	......
Tax res.	30,000	......	12,000
Ttl. deduc.	$252,169	$ 205,058	$ 213,652
Net inc.	$256,320	$ 101,481	$ 110,215
Pfd. divs.	98,000	98,000	98,000
Surplus	$158,320	$ 3,481	$ 12,215
Prev. surp.	1,120,711	1,117,230	1,105,015
Ttl. surp.	$1,279,031	$1,120,711	$1,117,230
xAdj.	25,000	......	......
	$1,254,031	......	......

xAdjustment of investment account.

Working capital account shows the following comparisons:

	Jan. 30 1924	Jan. 31 1923	Feb. 1 1922
Curr. assets	$2,433,527	$1,969,319	$1,713,158
Curr. liabs.	339,264	998,336	818,770
Net work. cap.	$2,094,263	$ 970,983	$ 894,388

East Kootenay May Supply Lethbridge City

From Our Own Correspondent.

LETHBRIDGE.—Crow's Nest Pass towns are now receiving power generated at the new Elko hydro electric plant of the East Kootenay Power. The present development of this B. C. plant is for 15,000 horsepower, of which 7,500 is now available. The power developed serves coal mines and coal camps from Fernie to the prairies, also the concentrator of Consolidated Mining and Smelting at Kimberley. The Elko plant, which harnesses the Elk River, possesses several interesting features, one of which is a 12-foot wood stave pipeline 1,200 feet long. There is also a 2,000-foot rock tunnel ending in a surge tank 32 feet in diameter and 74 feet deep. Water is delivered at the power house through two, six-foot boiler plate steel penstocks. The turbines are 7,500 horsepower each with 6,000 kilowatt generators. All switching is remote control. It is thought that the East Kootenay Power Company may some day extend its power line as far east as this city. The question of hydro electric for Southern Alberta has long been mooted.

HIGH TAXES HALT MINING PROGRESS

Canada Losing Speculative Funds Because Taxation in U.S. Scares Owners

Heavy taxation kills speculation. Thus, to-day one of the greatest stumbling-blocks in the way of developing Canada's national resources is the excessive tax toll. An evidence of this is given in the United States. It was recently announced that 285 members were lost to the Institute of Mining. F. F. Sharpls, secretary, says that excessive federal taxation on large incomes has driven that money into tax-exempt government bonds Thus the money that before heavy taxation became the rule was devoted to speculative development of mining properties is now withdrawn. no longer invest on chances which comprise a possible loss of all the capital, or, in the event of a successful exploitation, the sacrifice of most of the profits to the government tax collector. He adds :

Before the war large incomes were the source of most of the money which could be relied upon to provide the wherewithal for the research for mineral riches. Thus mining engineers were employed to watch the operations and appraise mineral properties in all parts of the continent. Such is not the case to-day and so new mining activities are slowed up all along the line. There is therefore dearth of employment for men who had been accustomed to follow that class of work. It is an example of an industry capable of employment for men who had been accustomed to follow that class of work. It is an example of an industry capable of employing many men both skilled and unskilled, detrimentally affected by badly-thought-out taxation. Canada has unlimited mining prospects but they unfortunately remain prospects because there cannot be found capital to develop them and thus one promising avenue of jobs for immigrants is effectively closed. The government of the country can deal with this situation. It is the only institution to which one can look for a solution of the problem.

Growth of Our Newsprint Industry

From 1917 to 1923 Canada's production of newsprint leaped from 689,847 tons to 1,263,000 tons, an increase of 83%, and this tonnage is practically consumed as fast as it is made. These figures give a good idea of the tremendous growth of the world-wide demand for this product. The United States alone consumed 2,750,000 tons in 1923, of which total 1,100,000 tons came from Canada.

Fortunately we are blessed not only with abundant timber reserves but also with ample water power to produce economically the groundwood pulp that forms 80% of newsprint, so Canada is assured of a certain and profitable future in this great and basic industry.

We have prepared an interesting analysis of the Newsprint Industry. A copy will be sent upon request.

NESBITT, THOMSON
and Company, Limited
305-7 Bank of Hamilton Bldg., Toronto
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330

QUEBEC BLUE SKY LAW IS REGARDED AS A FIRST STEP

(Continued from page 1)

provincial secretary. The provincial secretary does not review information filed and state whether or not the stock be sold. He merely records it in his books.

At first glance this does not seem to provide a great deal of protection for the investor. Most people would have liked to have seen something in the nature of legislation providing for the censorship of security offerings. Quebec studied the various "blue sky," bills in force elsewhere and found that they had two chief weaknesses.

First, the difficulty of finding competent men to sit on a commission to determine what stock may be offered and what might not be offered.

Secondly, the stumbling block that whenever a security has been passed by a commission the public immediately assumes that it is a wonderful investment. Many checks have been provided to make it impossible for salesmen to use the approval of a blue sky commission as an argument for the sale of their offerings, but none of these checks have been found efficient.

Could Not Pass Fraud Bill

Quebec considered also a fraud bill such as New York and some other States have, but ran across the barrier of the British North America Act which puts criminal legislation outside the provincial sphere.

The province has not gone the whole journey then in "blue sky," legislation, but has taken one step only, and of course an important step, in providing for the filing of complete information about the offering. The "kick," in the act comes in the paragraph which provides—in legal language that is here stripped of its befogging verbiage—that if a salesman sells securities without having filed the required information he cannot take action to collect any unpaid balance on these securities, and the directors of a company who are parties to such infringement of the law are responsible for repayment of all moneys invested

This clause was aimed at a practice prevalent in Quebec—and in other provinces, too. Salesmen go around the countryside selling securities. They collect as much cash as they can, usually the amount of their commission and they take a note for the balance. The note is usually payable to the company for whom the salesman is selling the stock. But as the salesman collects his commission out of the first payment he is usually not concerned with the future payments and he will see to it that he loads his victim to the utmost with whatever stock he is selling, and if he is unscrupulous he will do so on any misrepresentations that occur to him. Under the law as it has now been arranged the balance of the payments under such a contract cannot be collected from the investor if the information required by law has not been filled. The stock salesman has to comply with the law. The filing of the information provides a definite record of evidence of the true facts should the story be misrepresented.

The law is regarded as a step in the right direction, but the government of the province did not intend that it should be construed as complete protection for investors, such protection being an exceedingly difficult thing to provide by legislative enactment.

SMELTERS REPORT IS AN OPTIMISTIC PIECE OF READING

Profits Largely Increased And Outlook is Bright

NEW MILL SUCCESS

Both President and General Manager Speak Well of the Now Process Concentrator

From Our Own Correspondent.

MONTREAL. — Steady progress, particularly in the development works around the big Sullivan Mine. is shown in the annual statement of Consolidated Mining and Smelting Company. "Smelter's" report comes quite up to early expectations and shows earnings of $3.98 on each of the $25 common shares, or 15.9 per cent. Depreciation charged up was heavy, and taxes also showed a large increase. Nevertheless, profits totalled $1,681,162 available for the common stock. as compared with $975,449 in 1922, and $270,722 in 1921.

Sales Higher in the Year

Sales for the year were $11,229,162, as against $9,576,201 the preceding year.

The profit and loss account figures for the past three years compare as follows:

	1923 $	1922 $	1921 $
Sales	11,229,162	9,576,201	7,516,865
Inventories	2,021,667	2,033,763	2,779,434
Rents, etc.	27,434	26,243	8,574
Pow. Co. div.	....	128,480	256,960
Total earn.	13,278,264	11,754,688	10,561,834
Ore prev. yr.	2,023,763	2,779,434	3,336,463
Customs ore	1,631,766	1,194,389	385,998
Freight	580,342	645,808	634,873
Gen. Exps.	4,905,554	4,381,424	5,270,372
Balance	4,136,838	2,753,682	934,128
Develop.	381,824	306,773	232,693
Deprec.	806,224	405,145	105,356
Depletion	323,835	320,750	......
Bond int.	276,203	239,198	231,596
Balance	$2,349,750	$1,481,766	$ 364,483
Int. on loans	220,063	289,549	......
Directors	3,800	3,550	3,300
Writ. off	743	10,335	22,736
Taxes	443,980	252,881	67,724
Net profits	$1,681,162	$ 975,449	$ 270,722
Dividends	632,022	......	......
Surplus	$1,049,140	$ 975,449	$ 270,722
Prev. bal.	2,055,185	1,079,736	809,014
P. & L. bal.	3,104,325	2,055,185	1,079,736

Rossland to Produce Again

The report indicates little activity by the Allenby Copper Company (the successor of the Canada Copper Company) and because of uncertainties in the copper market outlook the president has avoided a forecast of early progress there. But he declares that: "during the year your Rossland properties were made ready for operation and will produce considerable quantities of gold-copper ore during 1924."

During the year the new concentrator for the treatment of the Sullivan ore was completed, and the shareholders will be gratified to get President Warren's assurance that "it is a complete success," to which the general manager, S. G. Blaylock. adds, in his report: "This mill has exceeded expectations in every way and has indicated that estimated concentration costs, tonnages and receiveries will all be beaten when there is suficient power to run the plant to capacity."

This is particularly satisfying. as the Sullivan can now be counted on to ungorge its untold millions of wealth for Smelter's shareholders without the engineering problems that have held up past development.

The interruptions in power supply referred to curtailed operations during the year, and may be regarded as having affected profits to some extent. Assurance is given, however that "shortage should be over some time in March, 1924"—is probably over now in fact.

On the question of metal prices, Mr. Warren says: "The present year has opened with high lead and zinc prices, but low copper prices. It is difficult to predict the future even a few months ahead, but it would seem that current prices of lead and zinc though they are considerably above the average, will continue for some little time."

Working capital shows some decline, and in view of the president's statement that the "treasury should be made strong, so that in case of a reaction in the metal markets you could maintain your operations without borrowing from your bankers," this situation is not suggestive of an early increase in dividends.

The working capital position of the company for the past three years compares as follows:

	1923	1922	1921
Curr. assets	$4,414,473	$3,815,113	$4,458,987
Curr. liabs.	3,261,652	2,530,143	6,704,034
Work. cap.	$1,152,821	$1,284,970	*$2,245,056

*Current liabilities in excess of current assets.

Looks for Better Trade With West Africa Points

MONTREAL.—Interest in trade between Canada and West Africa has been increased by the announcement of Elder-Dempster that they would arrange this year to have their South African steamers stop at Gold Coast and other West African points and thus give a direct service between Canada and these countries.

Arthur Teshea. representing a group of traders in the Gold Coast has been in Canada for some months endeavoring to connect Canadian importers and exporters with merchants in West Africa, and has started a certain amount of trade in each direction.

The chief commodities these countries will buy from Canada are wheat, flour, whiskey, tires, automobiles and coal.

WEST KOOTENAY HAS LOWER EARNINGS

"Smelters" Power Subsidiary Meets With Minor Disappointments in Year

From Our Own Correspondent.

MONTREAL. — West Kootenay Power and Light Company, which is a subsidiary of Consolidated Mining and Smelting Company, did not have as good a year in 1923 as expected. Earnings were lower. Disappointment is expressed by the General Manager, L. A. Campbell, in his annual report when he refers to falling down of the fruit selling organization in the Okanagan Valley and to the failure of the copper mines in the district to resume operations due to low prices for copper.

The profit and loss figures for the past three years are compared in the following:

	1923	1922	1921
Gross	$690,574	$746,441	$767,709
Interest	......	25,680	23,298
Expenses	211.839	194,267	205,430
Bond int.	88,334	103,500	103,500
Oth. int.	......	9,899	6,406
Deprec.	284,264	287,047	291,994
Written off	30,514	1,440	4,627
Sink. fund	37,984	35,843	33,843
Adjust.	......	......	6,185
Balance	$ 87,637	$140,126	$139,021
Dividends	x85,000	163,480	286,710
Surplus	$ 2,637	†$23,255	†$147,689
Prev. bal.	8,672	32,027	179,717
P. & L. bal.	$11,309	$ 8,672	$ 32,027

x Preferred only. † Deficit.

Work on the Bonnington Falls extension is now under way, although there were preliminary delays due to labor shortage.

International Coal Improved Its Mine

International Coal and Coke found that the cost of betterments and repairs at the mine weighed heavily on earnings during the past year. while production was greatly curtailed. The mine only worked 247 days, mining 253,857 tons, points out President A. C. Flumerfelt who adds: In Nov., 1922, fire damaged the property, while the severe flood last spring also took a toll. In the matter of betterments development was increased, and various additions made. East Kootenay Power is now being used. The physical condition of the property is good and the financial position better. Current liabilities stand at $370,-ter. Current assets stand at $370,-

STOCK MOVEMENTS OF THE WEEK

WEEK ENDING MARCH 25

	Div. Rate	Yield Mar. 24	High For wk.	Low For wk.	Close Mar.25	Close Mar.18	Sales For wk.	Range 1924 High	Range 1924 Low
Banks—									
Commerce	12	6.55	185	183	184	184½	45	188	182
Dominion	12	6.52	187	182¼	183	187	203	187	181
Hochelaga	10	6.75	148	148	148	148	20	150½	143½
Imperial	12	6.95	175½	172½	172½	175½	59	177½	173
Molsons	12	7.89	152	152	152	151	2	159½	151
Montreal	12	5.05	238½	236	236	238½	81	248	236
Nova Scotia	16	6.23	257	255	256	255	155	260	248
Royal	12	5.60	214	214	214	214	112	217	211
Standard	12	7.22	166	165½	165½	166	27	168	165
Toronto	12	6.81	176½	176	176	176	112	179	175½
Union	8	7.54	106	105½	106	106	18	109½	105
Paper—									
Abitibi, com.	4	6.37	63½	61½	62	62	5160	69	60
Do. pref.	7	6.76	103½	100¼	100¼	100	153	105½	100
Brompton Pulp	..	....	40	39	39	40½	2241	43	39
Laurentide	6	6.74	90½	88½	88½	92	603	98½	88½
Price Bros.	2	4.93	41	40½	41	43	62	45	40½
Prov. Paper, com.	6	6.81	89	88	88	89½	105	110	85
Smith, Howard, com.	6	9.71	64	61½	62	66	230	75	61½
Spanish River, com.	7	6.42	111¼	106¼	107¼	110	4727	114	99¼
Do. pref.	7	5.98	119	114¼	115	117¼	2422	119½	105½
St. Maurice Paper	6	6.34	97½	94	94	97½	480	113¼	94
Wayagamack	..	....	40¼	40	40	40	25	46	40
Steel and Steel Industries—									
B.E. Steel, com.	..	....	4½	4	4	5	225	6	3½
Do. 1st pref.	7	13.20	54½	52	53	55	145	57½	52
Do. 2nd pref.	..	....	13½	11¼	11¼	12	641	17	11¼
Can. Car & Foundry, com	..	....	48	47	47	48½	170	50	36½
Do. pref.	7	7.29	97	95½	95½	96	282	97	84½
Can. Locomotive, com	4	6.06	66	66	66	66	110	67	66
Dominion Coal	7	9.21	76	76	76	76	25	81	76
Dominion Bridge	4	5.26	77½	74½	74½	77	890	80	55
Ontario Steel, com.	4	9.30	43	43	43	43	25	45½	43
Steel of Canada, com.	7	8.64	81	79½	80	81	1923	83	74¼
Do. pref.	7	6.63	105½	105	105	105	109	105½	100
Milling—									
Canada Bread, com.	..	....	66	66	66	68	13	74¼	66
Lake of Woods, com.	12	6.91	173½	173¼	173½	173½	20	177	167
Do. pref.	7	5.88	119	119	119	119	35	120	117¼
Maple Leaf, pref.	7	7.65	91½	91½	91½	91½	15	95¼	87
Ogilvie Flour, com.	12	3.87	310	310	310	307	5	320	307
Do. pref.	7	5.87	119¼	119¼	119¼	119	10	120	116
St. Law. Flour, com	6	8.82	69	68	68	71	151	73	68
Inter. Milling, pref.	7	7.25	96½	95½	95½	96½	8	96½	94
Utilities—									
Bell Telephone—Rights	..	....	5¼	5	5¼	5	1461	5¼	3¼
Bell Telephone	8	6.13	131½	129	129½	131	324	132¼	125
Consumers Gas	10	6.21	161½	160½	160½	161	64	166½	159½
Dom. Telegraph	6	6.81	44	44	44	43	20	44½	43
Kaministiquia	8	7.44	108	107½	107½	109	29	113½	107
Mackay, com.	7	6.14	115¼	114	115	114½	38	120¼	110¼
Do. pref.	4	5.92	67½	67	67½	68	124	71½	66
Mexican Light, com.	..	....	20	20	20	19	100	20	18
Montreal L. H. & Pr. Cons.	7	4.48	157½	154¼	154¼	155	3698	161½	140¼
Montreal Telegraph	8	6.55	49	49	49	48	26	52½	48
Ottawa L. H. & Pr.	6	7.18	83½	83½	83½	83	15	81	81
Quebec Power, com.	..	....	65	65	65	64	12	72½	64
Shawinigan	7	5.32	131½	127½	131	126¼	2444	135½	118½
Southern Can. Power, com	1.00	....	54	54	54	52¼	60	54	51¼
Transportation—									
Canadian Pacific Rly.	10	6.71	149½	148	148	149½	244	154	148
Canada Steamships, com.	..	....	12½	11	11½	13	330	14½	11
Do. pref.	..	....	46½	44¼	46	44¼	1095	46½	41½
Tractions—									
Barcelona	..	....	15	14½	14½	15½	174	16	14
Brazilian	4	7.92	51½	49¼	50½	51¼	9233	53¼	41¼
Detroit Un. Rly.	6	10.08	60	50	57¼	61¼	6838	72½	50
Duluth-Superior	..	....	31¼	31½	31¼	32	201	35	30¼
Illinois Traction, com.	2.00	2.56	78	78	78	79	125	79	60
Porto Rico Rlys, com.	..	....	20	20	20	20	2	25	18
Do. pref.	7	10.00	70	70	70	75	10	75	66
Toronto Railway	..	....	84½	82½	83¼	84¼	614	86½	80
Twin City, com.	6	9.48	64½	62¼	62¼	64¼	1165	69	63½
Winnipeg Elec., com.	..	....	26½	25¼	26¼	27	350	30	25¼
Do. pref.	7	8.86	81	78¼	79	81	123	85	76½
Textiles—									
Can. Conn. Cotton, pref.	8	....	74	74	74	79	10	80	74
Can. Cottons, com.	8	7.96	100½	99	99	100½	160	111	99
Do. pref.	6	6.61	90¼	90¼	90¼	90½	6	91	90
Can. Woollens, pref.	..	....	35	35	35	35	55	35	35
Dom. Textiles, com.	4.00	6.55	61	60¼	61	61	412	66	60¼
Do. pref.	7	6.54	107	107	107	107	10	109½	106¼
Penmans, pref.	6	6.38	94	93	94	94	22	96	93
Wabasso Cotton	4.00	5.97	67	65	65	67	95	72	65
General Industrials—									
Amer. Salesbook, com.	5	....	44¼	44	44¼	45	45	47	44
Do. pref.	7	7.60	92	90	92	92	97	95	90
Asbestos, com.	..	....	30	30	30	32½	61	35	25½
Do. pref.	6	10.00	60	59	60	60	68	62	57
Atlantic Sugar, com.	..	....	16½	16	16	16¼	135	21¼	16
B.C. Fishing	..	....	13½	13½	13½	14	5	15¼	13¼
Burt, F. N., com.	10	7.43	134½	134	134	135½	50	137½	127¼
Canada Cement, com.	6	6.52	92¼	90½	92¼	90½	534	93	84½
Do. pref.	7	6.49	108	107½	107¼	108	78	108	102¼
Cons. Rubber, pref.	7	9.58	73	73	73	..	4	73	73
Can. Gen. Electric, pref.	¼	....	53¼	53½	53¼	53½	92	54	51¼
Canadian Salt	8	6.97	114¼	114¼	114¼	114¼	55	115½	109
Carriage Factories, com.	..	....	75	75	75	..	50	75	75
City Dairy, com.	10	5.52	181¼	181¼	181¼	181	10	184¼	163
Can. Indust. Alcohol	6	....	28	27¼	27¼	27¼	970	28½	27
Crows Nest Coal	6	12.00	50	50	50	50	35	51¼	48
Cuban Can. Sugar, pref.	..	....	46	46	46	47	85	50	33½
Dom. Canners, com.	..	....	32	30½	30½	32	145	35¼	20¼
Dominion Glass, com	7	6.49	108	105	107	107½	285	110	101½
Dominion Stores, com.	1.00	3.84	26	26	26	27	35	30	26
Davies, Wm. (A)	..	....	20	19¼	19¼	18	55	20	14¼
Goodwins, com.	..	....	48½	26	48½	20	101	48½	17
Do. pref.	7	8.66	80¼	80¼	80¼	69½	10	80¼	69½
Goodyear Tire, pref.	7	9.00	78	77¼	77¼	77½	15	81¼	77½
Lyall Construction	..	....	17	16	17	16½	70	21	12
National Breweries, com.	4.00	8.00	51	50	50¼	51	858	56¼	50
Do. pref.	7	7.07	99	99	99	96½	50	99	95
Pacific Burt, com.	6	6.12	98	98	98	97½	2	101	97
Rogers, Wm. A. Com.	..	....	60	60	60	60	5	70	45
Do. pref.	7	7.38	95½	95	95	95½	18	100	86
Russell Motor, pref.	7	14.00	50	50	50	55½	1	56	48
Sherwin-Williams, pref.	7	6.98	100¼	100¼	100¼	102	15	103	100¼
Sterling Coal	4	9.30	43	41½	43	41	48	43	40
Tuckett Tobacco, com.	4	6.63	60½	60	60	60	590	64½	57
Do. pref.	7	7.34	95¼	95¼	95½	95½	15	97	92½
Trust and Loan—									
Canada Landed	10	6.18	80¼	80¼	80¼	82½	9	86	80¼
Can. Permanent	12	6.55	183	183	183	184	5	186¼	182
Huron & Erie	7	5.73	122	122	122	120	52	122	120
Landed Banking	9	6.42	140	140	140	139½	10	140	139½
National Trust	12	5.58	215	215	215	215	9	215	212
Toronto Gen. Trusts	12	5.79	207	207	207	206	17	207	202

UNLISTED SECURITIES

	Bid	Asked
Alta. Pac. Grain, com	99½	108
Alta. Pac. Grain, pref.	90	92
Collingwood Ship., com.	50	60
Can. Machinery, pref.	..	27
Can. Mortgage & Inv.	66½	..
Can. Oil, 8% pref.	90	94
Can. Westinghouse	134	..
Capital Life, 20% pref.	22	26
Cockshutt Plow 7% pref.	..	38
Continental Life	25	29
Cosgraves Breweries	5½	6½
Commercial Finance pref.	68	..
Crown Life	98	..
Dom. Power, pref.	96¼	98¼
Dom. Power, com.	43	45
Dom. Sewer Pipe	24	29
Dunlop Tire, 7%, pref.	81	85
Durant Motors (A)	7	9
English Elec., com.	10	12
English Elec., pref.	58	60
Excelsior Life 26% pref	33	..
Famous Players 50% com	67	69
Farmers Dairy	60	..
Great West Life	225	..
Gunns, Ltd., 7%, pref	36½	38½
Hamilton Pantages, com.	2½	3¼
Hamilton Pantages, pref.	46	49
Imperial Tobacco, com.	5	7
K. & S. Tire, pref.	18	21
K. & S. Tire, com.	50	80

	Bid	Asked
Lambton Golf Club	400	450
Loew's Buffalo, pref.	56	59
Loew's Buffalo, com.	.80	1.20
Loew's Hamilton, pref.	46	48½
Loew's London, pref.	6	6½
Loew's London, com.	3½	4
Loew's Ottawa, pref.	..	18
Loew's Toronto, pref.	70	73
Loew's Toronto, com.	38	42
Marconi Wireless	75c	1.00
Massey-Harris	32½	35
Manufacturers Life	56	58
Monarch Life, 10% pref	13	..
National Brick, pref.	53	56
National Brick, com.	12	15
North Mex. Power, com.	5½	8½
Ont. Equitable Life	..	19
Robt. Simpson 6% pref.	90½	92½
Robertson, P. L.	15	25
Sterling Bank	86	89
Sun Life, 50% pref.	180	..
Sun Life, 35% pref.	140	..
Toronto Finance, pref.	4½	6
Toronto Brick, pref.	73	..
Toronto Carpet, com.	99	..
Trusts and Guarantee	68½	71
Western Assurance	7	7¼
Western Grocers, pref.	..	38
Brit. Mortgage Loan	200	..

Your Last Debt

will be created by your death. It will be the Succession Duty demanded by the Province of Ontario on the value of your Estate. When the demand is made, will the cash be there or will your family have to sacrifice your Estate to provide the amount of this tax?

A National Trust Life Insurance Trust

will provide funds to take care of Succession Duty when, on your death, it becomes payable. Ask us to explain to you this form of trust.

National Trust Company
Limited

Paid-up Capital and Reserve $4,000,000

Assets under Administration $126,000,000

22 King Street East, Toronto

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CHARTERED ACCOUNTANTS
E. R. C. CLARKSON & SONS
TORONTO MONTREAL
Authorized Trustees and Receivers
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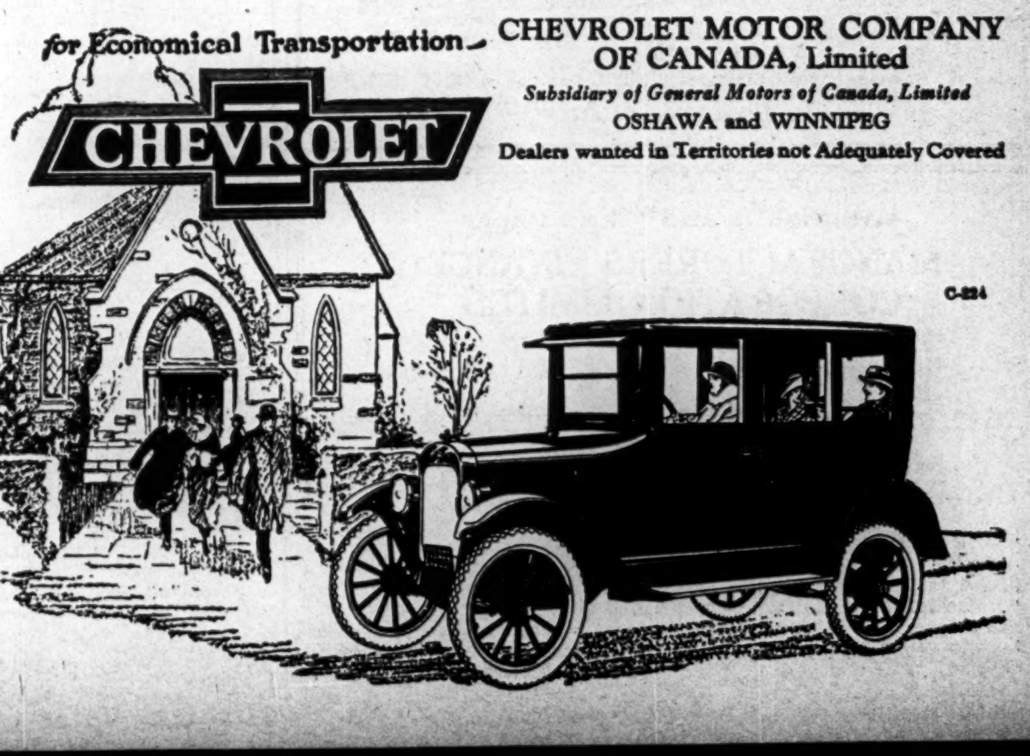
Chevrolet Brings Motoring Enjoyment to Every Canadian

HOW great the service done for the Canadian People by Chevrolet cannot be estimated. How great the benefits it has brought to them is beyond human ability to reckon.

It has provided them, at a cost unequalled in motordom, with a means to speed up business, to increase wealth, to better health, to bring friends closer and to open up every part of the whole country to every Canadian.

The fine quality, strength, endurance and full equipment provided by Chevrolet cannot be purchased for so little money anywhere else. Moreover, the owner of a Chevrolet finds a further satisfaction in the savings effected day by day as he drives his car. No other car built can be run or maintained as cheaply as Chevrolet.

Chevrolet cars are built in Canada by Canadian workmen. Every dollar you pay not only buys a good-looking, comfortable car but helps build up a strong Canadian industry.



CHEVROLET MOTOR COMPANY OF CANADA, Limited
Subsidiary of General Motors of Canada, Limited
OSHAWA and WINNIPEG
Dealers wanted in Territories not Adequately Covered

The Wabasso Cotton Company, Limited

THREE RIVERS, P. Q.

Manufacturers of Fine White Cotton, also Spinners' Fine Counts of Yarns

Woods Manufacturing Company, Limited

Jute and Cotton Bags
Hessians, Buckrams
Paddings and Twine
Tents
Flags
Tarpaulins
Clothing and Cotton Fabrics

FACTORIES AT
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WINNIPEG, WELLAND

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MONTREAL

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LIMITED

General Offices:
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MONTREAL

Refineries - St. John, N.B.

Canadian Paperboard Company Limited
Largest Manufacturers of Paperboard in Canada.
Mills at Montreal, P.Q., Campbellford, Ont., Frankford, Ont.
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Dominion Textile Company
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Manufacturers of

COTTON FABRIC

MONTREAL TORONTO WINNIPEG

LAKE OF THE WOODS MILLING CO., LTD.
Makers of FIVE ROSES FLOUR
Mills at Keewatin, Portage la Prairie, Medicine Hat
DAILY CAPACITY 13,700 BARRELS

President:
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Sir Lomer Gouin, K.C.M.G.

Automobile and Piano Paper
MANUFACTURERS FINANCE CORPORATION LIMITED
TORONTO, Federal Building
AUTHORIZED CAPITAL - - $6,500,000

New Brunswick Potato Growers Making Money

ST. JOHN.—Potato growers have been getting good returns. The Cuban market has continued active. One steamship line up to two weeks ago had shipped 918,641 bushels compared with 918,224 for the whole of the previous season. It is predicted that the total shipments this season will be about double those of last. The season is from October 1 to the first of April. The farmers have been getting about $2 per barrel for their potatoes, and the tubers are carried in heated cars to a heated warehouse at West St. John. A large extension of this warehouse is being made and will be ready for next season's business.

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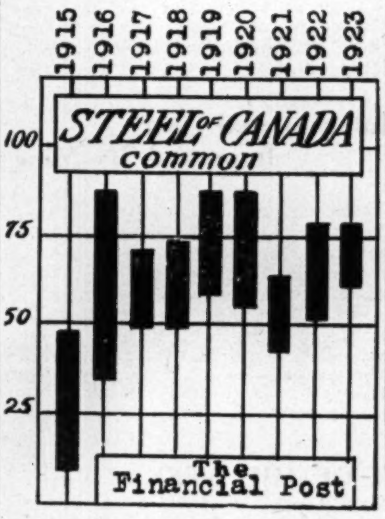
Steel Company Justifies Anticipation of Earnings

Profits of 12.4 Per Cent. on the Common After Two Years in Which Reserves Were Drawn on to Pay Dividends—Property in High State of Efficiency With Substantial Coal and Ore Reserves



Showing profits available for the common stock of 12.4 per cent. for 1923, the annual statement of the Steel Company of Canada confirms the confidence of the shareholders of that company as to earning powers. As a result of the year's operations the balance of profit and loss was increased by over $600,000, while in the two preceding years the reserves were called upon in order to maintain the dividend distribution. Altogether, the performance indicates a high state of efficiency in organization and operation. On the strength of the figures of the annual report the common stock moved up to 83, as compared with a high of 79¾ in 1923, and of 80 in 1922, but it has since returned to around 80. On the face of it a greater advance might have been expected, but it should not be overlooked that the stock was down to 60¾ last year, and to 51¾ in the previous year, and that the policy, which has been followed in recent years does not indicate the probability of a higher dividend unless there is a prolonged period of such business as now being experienced. and that is much to expect in an industry where the volume of orders is constantly fluctuating Also the possibility of keen competition in the event of the United States Steel Corporation going ahead with its plant at Ojibway should not be overlooked by the shareholders, although there has been little interest shown in that project of late.

Profits for the year after deducting charges for repairs, maintenance and improvements, and providing for inventory reserve and income tax for 1923, but before providing for depreciation and bond interest amounted to $3,284,467. The disbursements included $377,651 reserve for bond sinking fund. $677,236 reserve for depreciation, $441,962 interest on bonds, dividends on shares $1,259,741, credited to profit and loss account $627,875.

The results of the operations during the year were better than during 1922, as is indicated by the profits earned. During the first three months of the year production was somewhat slack, but in the following months there was considerable improvement. Sales in the Northwest did not improve over those of 1922 which were much below normal. The balance carried forward in the profit and loss account was $8,570,247, an increase of $628,000 over the balance brought forward from Dec. 31, 1922

Compared with 1922 the figures are:

	1923	1922
Mfg. profits. ..	$2,996,580	$1,962,169
Other income ..	287,887	333,028
	$3,284,467	$2,295,197
Sink. fund. res.	277,651	237,423
Depreciation . .	677,237	677,558
	$2,329,579	$1,380,216
Bond interest .	441,962	476,619
Pref. dividend .	454,741	454,741
Com. dividend .	805,000	805,000
Surplus..	$ 627,875	x356,144
Bal. forward ..	7,942,372	8,298,516
Balance	$8,570,247	$7,942,372

x—Deficit for the year.

The company's market record for common and preferred shares and bonds follows:

	Com. Stock		Pref. Stock		Bonds	
	High	Low	High	Low	High	Low
1911	36½	25	92	87	100½	99
1912	36¼	27	93	87	101½	97¾
1913	28	15¾	91¾	79½	100	89½
1914	20	11	87⅝	69	93	90
1915	47½	9	94½	69	90	88
1916	88¼	34½	107	86	97	89
1917	71½	47½	100½	84½	100	90
1918	74¼	49¾	98	84	95	88
1919	88¼	57½	100	91½	100	94
1920	88½	54¾	101½	85¾	98	91
1921	65	42½	93⅛	84	98¼	88½
1922	80	51¾	100¼	91½	100¾	97
1923	79¾	60¾	103½	95	102½	99

More Business, Smaller Profit

Referring to the year's activities President Robert Hobson says that the percentage of profits earned during the year 1923 on the sales of the company was less than during the previous year; the improvement was due to the larger volume of sales. The expenditure for new works was not large nor important; the remodelling of "B" furnaces was completed, and the production of this furnace during the year was very satisfactory.

The total assets are slightly over $48,000,000. Investments in coal, ore and other companies, and in the company's own bonds, including those acquired for sinking funds, amount to $33,200,000. Inventories of $6,673,000 show an increase, due, Mr. Hobson explains, to the large stock of coal accumulated in view of the threatened strike in the United States, and to supplies of pig iron held in reserve against furnace repairs.

Bonds of the Montreal Rolling Mills Go. to the amount of $500,000 that matured in May last were paid off and a like amount of Steel Co bonds, which were held in escrow for the redemption of the Montreal Rolling Mills Co. bonds, were released and are now in the treasury of the company. The bonds of the Western Coal Co. amounting to $450,000 which became due on Jan. 1, 1924, were also retired.

Mr. Hobson states in the directors' report that the company is continuing to get good results from its Mather collieries. The quantity of coal produced during 1923 was considerably in excess of previous years The ore properties in which the company is interested are understood to be producing good ore at a reasonable cost and the inevstment in these properties has been quite satisfactory.

There are now thirteen plants in all, of which three are at Hamilton, three in Montreal, two at Gananoque and one each at Toronto, Brantford, Belleville and London, Ont., and Lachine, Que. A by-product coke oven has been erected at Hamilton.

Coal and Ore Properties

During 1917 the company secured an interest in two ore properties, one on the Mesaba Range and the other on the Gogebic Range, which will supply over half of the company's ore requirements for a number of years. The ore taken out each year is being paid for on a royalty basis. Extensive coal lands comprising 1,617 acres, were secured in 1918, the coal from which is suitable for making coke and other purposes in connection with the company's operations. These lands are held by a company known as the Western Coke Co. The purchase price was over $1,000,000 and in this amount was included a bond issue of $450,000, which existed on one of the properties. The company also owns a one-third interest in the Mather Colliery.

Through ample provision each year for depreciation, the various, plants have been maintained in a high state of efficiency. The depreciation total as shown in the last statement is $12,296,662.

Stock and Bond Issues

The authorized common stock is $15,000,000, of which $11,500,000 is outstanding and the preferred authorized is $10,000,000 7 per cent. cumulative, of which $6,496,300 is outstanding. The preferred has preference as to assets and shares equally with the common in profits after 7 per cent. has been paid on the latter. No common dividend can be paid until a reserve fund equal to one year's preferred dividend has been accumulated. The stocks have equal voting rights.

Preferred dividends were paid quarterly February 1, to August 1, 1914 inclusive; none thereafter until November 1, 1915, when regular quarterly dividends were resumed and later the accumulation was paid off; dividends have since been paid regularly. On the common stock an initial dividend of 4 per cent. was paid January 1, 1917, with 1 per cent. and ½ per cent. extra in May and August of that year; November, 1917, to November, 1919, inclusive, 1½ per cent. was paid each quarter with 1¾ per cent. and ¾ per cent. extra in February, 1920, and from May to date 1¾ per cent. each quarter.

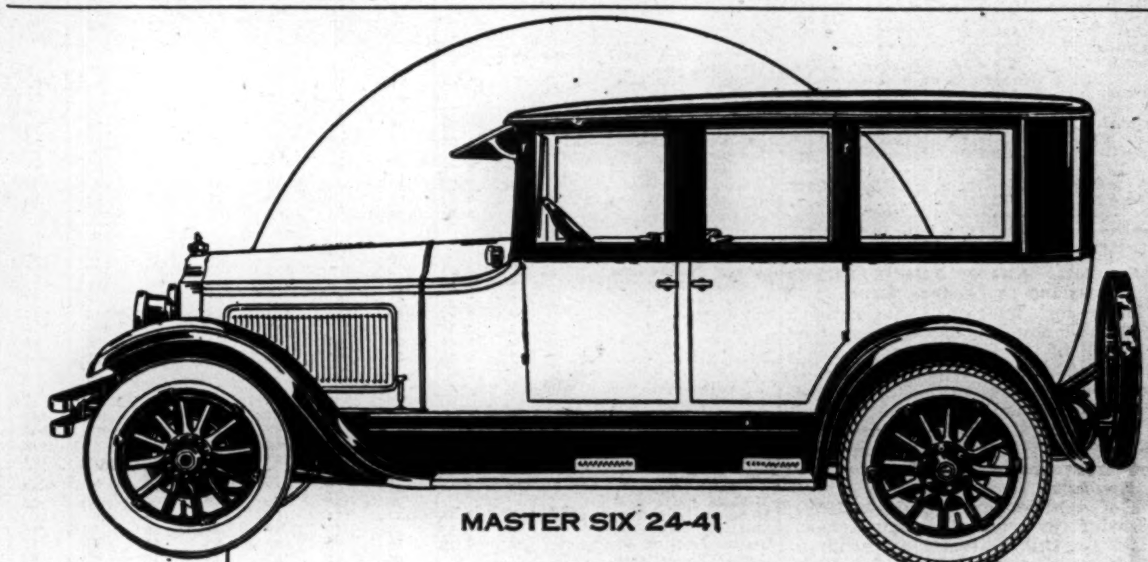
The funded debt consists of $6,698,950 1st mortgage and collateral trust gold 6 per cent. bonds dated July 1 1910, and due in 1940. The authorized issue was $10,000,000, of which $1,649,904 is in the treasury, $1,651,145 redeemed by the sinking fund. Additional bonds can be issued only to the extent of two-thirds of the appraised value of the fixed assets, but only when net earnings exceed three times the amount of annual interest on the bonds including the intended new issue. The bonds are subject to call as an entirety at 110 and interest on six months' notice after July 1, 1915, or in part for sinking fund purposes only, on any July 1 after 1916 at same price. Sinking fund 2 per cent. of all bonds outstanding plus an amount equal to interest on all bonds redeemed through sinking fund commenciny July 1, 1916, and annually thereafter.

Western Coke Company bonds to the extent of $450,000 were paid off on January 1, 1924, from funds deposited with the trustees for that purpose.

STEEL COMPANY OF CANADA'S EARNING RECORD

Year	Mfg. Profits	Other Income	Depreciation	Dividends	Surplus	Working Capital
1910	x$ 783,665	......	$ 104,071	$ 227,371	$ 245,918	$3,353,788
1911	1,373,522	......	100,000	454,741	337,681	4,291,134
1912	1,547,039	......	150,000	454,741	476,972	3,988,964
1913	1,640,011	......	137,500	454,741	511,032	4,632,617
1914	539,811	......	6,804	227,371	†313,173	5,104,143
1915	3,230,452	......	400,000	454,741	1,756,211	7,470,698
1916	5,021,391	......	601,625	1,142,111	1,632,856	9,488,773
1917	6,040,318	......	1,206,000	1,144,741	1,550,357	12,993,898
1918	5,367,120	......	802,687	1,144,741	1,125,017	9,007,312
1919	4,000,940	......	911,134	1,259,741	872,430	9,068,631
1920	3,924,041	......	712,684	1,259,741	545,663	7,906,838
1921	2,153,366	......	621,800	1,259,741	†442,448	8,262,919
1922	1,962,169	333,028	677,558	1,259,741	†356,144	7,275,678
1923	2,996,580	287,887	677,237	1,259,741	627,875	11,279,810

x—For six months. †—Deficit.



MASTER SIX 24-41

The New Master Six
Double Service Sedan

HERE is a practical, comfortable and economical closed car for five passengers, built for strenuous everyday, business service, yet eminently appropriate for family motoring. Notwithstanding its low cost, this double service Sedan is equipped with the new, more powerful automatically lubricated McLaughlin-Buick Motor, the well balanced 120 inch wheelbase chassis, the new tested 4 wheel brakes and every other mechanical feature which has made the 1924 models of "Canada's Standard Car" the season's outstanding values.

See your nearest dealer for a demonstration.

McLAUGHLIN MOTOR CAR CO., LIMITED

M-624

Subsidiary of General Motors of Canada, Limited
OSHAWA, ONTARIO
Branches in leading Cities *Dealers Everywhere*

McLAUGHLIN-BUICK

FOREIGN GOODS HIT BUSINESS OF MONARCH KNIT

Increased Imports Prevent Plants Working at Capacity

Little change in the net profits of the Monarch Knitting Company for 1923, as compared with 1922, is indicated in the annual report—figures for the two years being $114,888 and $116,531 respectively. Preferred dividends took $52,500 and the balance was carried forward, increasing the surplus to $609,492. Following are comparative figures:

	1923	1922
Net profits	$114,888	$116,531
Bal. forward	547,104	483,073
	$661,992	$599,604
Pref. dividends	52,500	52,500
Surplus	609,492	547,104
	$661,992	$599,604

According to the report of the president, F. R. Lalor and the general manager, J. A. Burns, the sales during the year showed an increase of 5 per cent. over the previous year. Prior to bringing down the net profits the sum of $70,000 was set aside to be added to plant and machinery depreciation reserve, making the total of that account $527,149.

Inventory of merchandise and supplies on hand totals $1,135,859 which, it is explained, is based on cost or replacement value, whichever the lower, and the quick assets of the company now exceed the liabilities to the public by $737,081—an increase of $77,395 over the year previous.

Foreign Competition

The competition from Great Britain and Europe which the company has had to face on the higher class lines of knit goods requiring skilled labor is referred to. It is pointed out that the rate of wages abroad is about one-half of that prevailing in Canada, while the depreciated currencies and reductions in the tariff have added to the advantages of importers. These conditions prevented the operation of the company's plant on a capacity basis last year.

The total assets are shown at $3,625,282, the preference shares outstanding total $750,000, and common shares $1,275,000. The year's addition to the surplus represented better than 4.8 per cent on the common stock.

Winter Earnings and Costs Both Curtailed

From Our Own Correspondent.

WINNIPEG.—The street railway will within a few days lay off about 100 men who have been working as motor men and conductors through schedule of service will then go into effect, fewer cars being operated.

There has been practically no snow in Winnipeg this winter, and the street railway company has saved a considerable sum as a result. On the other hand, there was a loss in patronage. Hundreds of motor cars have been operated through the winter which would have been tied up if the snow had been deep, and hundreds of people walked every day who would have bought street car tickets if the sidewalks had been less passable. Gross earnings were down about $40,000 in January and February. The company has been spending more money than usual in the betterment of its property.

NEWFOUNDLAND'S FISHERIES

ST. JOHN'S, NFLD.—Encouraging reports are being received from the seal fishing fleet in the Gulf and indications are that the catch this year will be the best for some time. A despatch from White Bay, states that ice flows in the neighborhood are dotted with "white coats" as far as the eye can see. A similar report came from Twillingate, and with the wind keeping the ice packed along the northeast coast, shore fishermen are promised a rich harvest.

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Manufactured by
IMPERIAL TOBACCO CO. OF CANADA LIMITED

Pulp and Paper Securities

SETTLERS AGAINST EMBARGO LEST IT CURTAIL MARKET

Will They Have to be Guaranteed Price in Case of Embargo?

From Our Own Correspondent.

MONTREAL.—Throughout the sessions of the royal commission studying the pulpwood embargo, the question of the farmers, pulpwood has come to the front on numerous occasions. It is apparent that this is one of the important considerations in the embargo matter.

Farmers feel that the important market for their pulpwood is in the United States. Because of the scarcity of forests in the United States the mills across the border can pay high prices for pulpwood from Canada. Most Canadian mills have extensive timber limits, and woodcutting organizations, and, while they are always glad of the opportunity to purchase pulpwood and thus conserve their own limits, the outside purchases are not as much a matter of very vital concern as in the case of the United States pulp and paper companies.

The Small Cutter's Viewpoint

In conversation with THE FINANCIAL POST the other day an important Northern Ontario dealer in pulpwood declared that it was impossible for the farmers in that part of the country to get as high a price for their pulpwood from the Canadian mills as from the United States mills. He also stated that the Canadian mills would not pay as high a price for pulpwood from the farmer as it cost them to cut it on their own limits. Perhaps he is not far from being right in these contentions, but there is a reason behind both situations.

American mills can bid a higher price for pulpwood because of the disparity in freight rates on short hauls and long hauls. It costs much less per mile to haul pulpwood to the United States than to the nearer Canadian point. One Canadian pulp and paper maker states that if freight rates per mile on pulpwood were the same to Canadian mills as to American mills that he could bid an average of $1.75 a cord higher for pulpwood bought from farmers.

Investments are Extensive

One reason why Canadian mills do not always bid as much for pulpwood from the farmers as it costs them to cut on their own limits is that they have extensive investments—running into the millions, in logging camps and equipment, sometimes even in railways into the woods. Their costs include interest on this investment, while the farmer who is cutting wood is doing so as part of the work of clearing his land, and has no important investment in wood cutting operations. He has little at stake.

It would be wrong, however, to leave the impression that Canadian mills, generally, will not give the farmer as much for his wood as it costs them to cut their own. Many mills that are favorably placed pay more for outside wood than for their own wood, and are glad to do so to conserve their own limits. One mill in particular paid $11.25 a cord for pulpwood last year, although wood cut from its own limits cost considerably less.

The Menace of Fires

One of the menaces of the moment is the professional settler who takes up land, clears it, sells the pulpwood and then moves on to another block of government land rather than taking up farming. Quebec and Ontario are both endeavoring to put such settlers out of the pulpwood business but their measures have not met with great success. Such settlers are a source of danger in another respect in that they are far from careful in handling their fires, and have started many conflagrations that have spread to the lands of the private companies and destroyed millions of dollars worth of timber.

The strongest arguments against the embargo to date have come from the settlers, and because the settlers have votes, while the big pulp and paper companies have not, it would not be surprising if their insistent clamor against the embargo had a distinct effect. Nevertheless, it is felt by pulp and paper men that the pulpwood embargo can be framed to protect these sellers of pulpwood. By some a standard price to be fixed by the government is suggested. In any event, the settlers themselves seem to be overlooking the element of competition between the Canadian mills. In their anxiety lest the loss of the American market should cut off competition from that source to keep prices high, they have forgotten that Canadian pulp and paper companies are competing keenly against each other for available supplies of pulpwood, and this competition in itself will give a measure of stability to the prices that the farmers will be paid for their wood.

Romance of the Pulpwood Forests

The sudden, almost magic diffusion of commercial value and activity over Canada's millions of acres of pulpwood forests is a striking example of how the needs of one country develop the resources of another, says the Natural Resources Intelligence Service of the Department of the Interior. The motive power behind the development of Canada's pulpwood areas is the voracious American market for paper, particularly for newsprint. The manufacture of newsprint is the big end of the Canadian paper industry and over 80 per cent. of the newsprint produced is exported to the United States.

Only ten years ago American mills were able to meet all but a small percentage of the domestic requirements, but in the meantime the output has been steadily falling behind consumption. The use of newsprint has increased tremendously. On the other hand, the depletion of the pulpwood supplies of the Eastern and Lake States has permitted only a moderate increase of American output. Faced with this situation, American newsprint consumers are now compelled to import almost half of their requirements.

Canada has stepped into the breach. Her exports of newsprint alone have risen from less than four million dollars in 1912 to over eighty-million dollars in 1923. Thus the Dominion's pulpwood resources, after suffering a long period of commercial indifference and costly exposure to every form of inroad except that of industrial need, have suddenly been drawn into use on a scale and with a degree of avidity rarely equalled in the annals of world commerce. Seldom indeed has the magic wand of international trade reached out and as swiftly lifted any industry from half a century of infancy to the stature of an industrial giant.

It is not necessary to retail a long succession of statistics in order to establish the importance of this newcomer to the ranks of outstanding Canadian industries. But some idea of its relative power in enhancing the commercial strength of the Dominion may be gleaned from the fact that its main product—paper—stands second to wheat only among the commodities entering into Canada's sales abroad. Ten years ago the Dominion's exports of paper amounted to less than $7,000,000—or about one-third of the exports of cheese alone. This year all of the cheese and butter exports from Canada's three thousand dairy factories, plus all of the apples and other fruits from the famous orchards of British Columbia, Ontario and the Annapolis Valley, plus all of the cattle from the ranches of the West and the stock farms of the East, all of the salmon, lobsters, cod, halibut and other species shipped from Canada's varied fishing grounds to every quarter of the globe, all of the furs from the northern territories that have fed the fur markets of the world for centuries—all of these exports lumped together are scarcely equivalent to the value represented by the Dominion's shipments of paper in 1923.

This industry—the manufacture of pulp and paper—which has been reared to such dimensions in one decade as to overshadow enterprises long established as major pillars of the Dominion's trade abroad, stands out as one of the truly impressive features on the skyline of the newer commercial Canada.

What Norwegian Strike Means to U.S. Imports

NEW YORK.—Discussing the effect of the Norwegian general strike upon the pulp and paper industry, in the current issue of Editor and Publisher, F. T. Harris, a well-known authority on conditions in the paper industry, says in part:

"During the year 1923, publishers in the United States received from Norway 33,829 tons of newsprint paper, or 17 per cent. of all the newsprint received by them from overseas. During 1922, 17,292 tons of newsprint arrived in the United States from Norway, so that the imports last year represent an increase of 96 per cent. over 1922. Figures for the month of January of this year are not yet available.

The United States is Norway's best customer for newsprint paper, receiving over one-third of the total export shipments of the Norwegian paper mills. England and France take about equal amounts of newsprint from Norway, together totaling only as much as is sent to this country. Australia and South America make up the bulk of the balance of Norway's foreign trade in newsprint paper.

In recent months, Norway has been sending less newsprint paper to the United States than earlier in 1923. During the last quarter of 1923, the United States received an average of 1,610 tons per month, as against an average of 3,256 tons for the third quarter, 2,937 tons for the second, and 3,473 tons for the first quarter of 1923. Only 1,014 tons arrived here in December, which was the smallest amount received since September, 1922."

Newsprint Exports Grow With Advertising

From Our Own Correspondent.

MONTREAL.—According to the report issued by the Canadian Pulp and Paper Association the exports of pulp and paper from Canada in February were valued at $10,947,199, an increase of $47,149 over the total for January.

Comparison with the returns for Feburary, 1923, shows a considerable increase in the value of the pulp and paper exports for last month, the value this year exceeding that for last year by $963,531.

Following are details for the various grades:

	Feb'y. 1924 Value	Feb'y. 1923 Value
PAPER:		
Newsprint	$7,339,535	$6,360,140
Book Paper (cwts.)	7,496	20,790
Bond & Writing .	6,222	8,080
Wrapping.	190,103	286,209
All Other	376,968	354,918
	$7,940,324	$7,030,137
PULP:		
Mechanical	$ 533,217	533,455
Sulphite Bleached	1,060,777	1,105,616
Do., Unbleached	686,955	696,128
Sulphate	725,926	618,342
	$3,006,875	$2,953,541

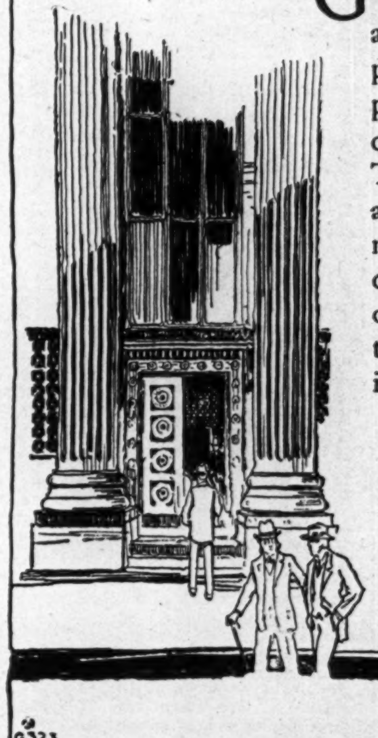
Newsprint production in the United States and Canada for the first two months of 1924 was 8 per cent. more than for these two months of 1923 and 29 per cent. more than for the same period of 1922.

Newspaper advertising of 27 leading cities for first two months of 1924 was 4 per cent. more than for first two months of 1923, 12 per cent. more than for same period of 1922 and the same as in 1920.

Periodical advertising of national publications for the first three months of 1924 was 7 per cent. more than for the first three months of 1923, 29 per cent. more than for same period in 1922, and 25 per cent. less than for same period in 1920.

MATTAGAMI PULP

In conversation in Toronto last week S. R. Armstrong, manager for the receiver of the Mattagami Pulp and Paper Company, said that the company was operating pretty much to capacity in its plant at Smooth Rock Falls, Ont. The company has produced 8,600 tons of unbleached sulphite since the opening of the year up to March 1 and has marketed it all. Some 110,000 cords of pulpwood has been contracted for for the year, sixty-five per cent. of which is being taken off their own limits and thirty-five per cent. from settlers by rail. Mr. Armstrong states that everything is running smoothly and in good shape at the mill, although he would like to see better market conditions for pulp.



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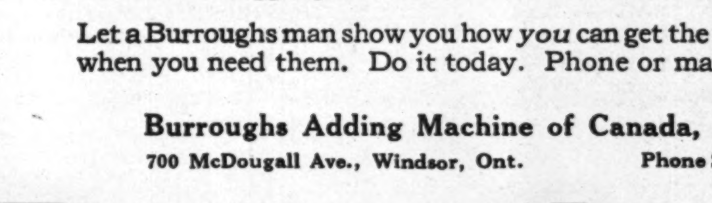

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Name__________
Business__________
Address__________

C. G. E. HAS HEAVY ORDERS BOOKED; 1923 GOOD YEAR

Common Shareholders Have Further Chance to Exchange into Preferred

Canadian General Electric did not fully earn the common dividend in 1923, though the net for the year was a material improvement over 1922. Before depreciation and interest were provided the total stood at $1,482,234, compared with $532,791, an increase of $949,443. Out of this sum $400,000 was set aside for depreciation, while no allowance was made the year previous. Interest and exchange charge was $404,151, compared with the 1922 figures of $428,227. The 1923 net was $678,083, compared with $101,564. The surplus at the end of 1922 was $6,820,411, and thus there was $7,498,494 available for distribution. This went as follows: Preferred, $2,000,000 at 3½ per cent., $140,000 plus 1¾ per cent. at its retirement, $35,000; Common, 6 per cent., or $647,985, or a total distribution of $822,985. The company wrote off $45,740 in investments, leaving the surplus at $6,629,769.

President A. E. Dyment, at the annual meting, said that the common dividends were being discontinued for a long time, and so he said a further opportunity was to be given to the 10 per cent. that has not exchanged its common for the new preferred to do so.

Reviewing the business of the year he said:

The improvement that developed in the company's business late in 1922 continued in marked degree during 1923. Bookings of orders were very much larger in 1923 than in 1922, the largest in the company's history, with the exception of 1920. This increase in business secured, however, had not yet been fully reflected in earnings, owing to the fact that some of the orders, notably power equipment, required a long time to fabricate, in some cases one or two years. The statement for 1924 and 1925 would, he stated, continue to reflect business booked in 1923. He referred to current keen competition in the electrical field, which made profits less than they should be, considering the technical knowledge and large capital required.

Profit and loss statement:

	1923	1922
Profits	$1,482,234	$ 532,791
Depreciation	400,000	......
Interest and Ex.	404,151	428,227
Net profit	$ 678,082	$ 104,564
Reserve	....	7,000,000
Bal. forward	6,820,411	557,726
	$7,498,493	$7,662,290
Pref. dividends	822,985	841,879
Invest. written off	45,740	......
Balance	$6,629,768	$6,820,411

Corn Flakes Co. Sells Out at $250 a Share

The battle in the courts over the Canadian rights to manufacture and market toasted corn flakes in Canada has ended abruptly by the Battle Creek, Mich., Co. buying the London, Ont., majority shareholders out at $250 a share. Other shareholders can sell out at the same price.

As a great many bought their stock away below par when the affairs of the concern were in bad shape, they make a handsome profit. The last appeal in the court fight, now on its way to the privy council, will be dropped. The Toronto plant of the United States company will be closed and the London plant enlarged.

The Battle Creek Toasted Corn Flakes Company of Canada had a capitalization of $300,000, and its subsidiary, the Canada Corn Products Company, of $85,000 each in shares of $100 par value.

General Motors Had An Excellent Year

General Motors' net income for 1923, available for dividends, was $62,067,526, which included such proportion of the profits of Fisher Body and the General Motors Acceptance as was received in cash dividends. Its share in undistributed earnings of these subsidiaries was $9,941,429, which if added to the above net income would represent a total of $72,008,955.

After paying regular quarterly dividends on the debenture and preferred stocks requiring $6,887,371 for the year, there remained for the common stock, $55,180,155 or $2.67 per share. Four quarterly dividends of thirty cents per share each were paid on the common stock, aggregating $24,772,026, leaving a balance of $30,408,129 which was carried to surplus. The undisturbed proportion of the earnings of Fisher Body and General Motors Acceptance was equivalent to forty-eight cents per share on the common stock of General Motors.

There were manufactured and sold during the year, 798,555 cars and trucks, compared with 456,763 in 1922. The net sales were $698,038,947 compared with $463,706,733 in 1922.

The Corporation had cash in banks $47,069,805; sight drafts $13,283,707; inventories $138,678,131. Current liabilities amounted to $79,150,705, leaving an excess of current assets over current liabilities of $140,750,582. This compares with $126,476,237 as of December 31, 1922; an increase of $14,274,345.

ZINC PRODUCERS ENCOURAGED

VICTORIA, B.C.—The zinc situation is encouraging. Prices are better today than they were before the war, as a general rule, and the improved methods of concentration at the Trail plant have resulted in vast quantities of ore being utilized that would otherwise have been wasted.

April Dividends

APRIL DIVIDEND PAYMENTS

Dividends	$10,957,863
Bond Interest	16,895,425
	$27,853,288

APRIL DIVIDEND PAYMENTS

Industrials, Utilities, Etc.

Company	Rate	Date	Amount
Abitibi com.	1q	15	$250,000
Do., pref.	1¾q	3	17,500
Amer. Cyan., pref.	1½q	3	83,938
Amer. Salesbk., cm.	$1 q	15	6,146
Asbestos Corp., prf.	1½q	15	60,000
Belg. Paper, pref.	1¾q	15	70,000
Bell Telephone	2q	15	640,980
Bird & Son, pref.	1¾q	1	7,000
Brand. Hend., pref.	1¾q	1	8,750
Brazilian, pref.	1½q	1	150,000
Brit. Amer. Oil	2q	1	110,000
Burt Fct., com.	2½q	3	55,827
Do., pref.	1¾q	3	8,611
Canada Bread, com.	4 specl.	1	100,000
Do., pref.	1¾q	2	21,875
Canadian Car, prf.	1¾q+*1¾q	10	262,500
Canada Cement, cm.	1½q	16	202,500
Can. Con. Cotton, p.	2q	1	60,000
Can. Cottons, com.	2q	4	54,310
Do., pref.	1½q	4	54,922
Can. Explosives, p.	1¾q	15	81,375
Can. Gen. Elec., cm.	¾sq	1	96,000
Do., pref.	⅞sq	1	52,129
Can. Indus. Alcohol	1½q	7	150,000
Can. Locomotive, c.	1q	1	20,000
Do., pref.	1¾q	1	26,250
Can. Salt	2q	1	24,000
Can. Westinghouse.	2q	1	148,558
City Dairy, com.	2½q	3	14,125
Do., pref.	1¾q	3	12,250
Consumers Gas	2½q	1	200,000
Dome Mines	50c. q	21	238,333
Dom. Canners, pref.	1¾q	3	40,085
Dom. Glass, com.	1¾q	1	74,375
Do., pref.	1¾q	1	45,500
Dom. Iron, pref.	1¾q	1	64,141
Dom. Stores, com.	50c. s	1	12,500
Dom. Telegraph	1½q	1	15,000
Dom. Textile, com.	$1 q	2	225,000
Do., pref.	1¾q	15	33,960
Duluth Sup., pref.	1q	3	15,000
Dunlop Tire, pref.	1¾q	1	10,500
Frontenac Brew., p.	1¾q	21	5,250
Goodwins, pref.	1¾q	3	30,625
Goodyear Tire, pref.	1¾q	10	78,750
Do., Prior pref.	1½q	3	51,583
Gould Mfg., com.	1½q	2	11,212
Do., pref.	1¾q	2	13,080
Greening Wire, prf.	1¾q	1	11,375
Hillcrest Coll., com.	1½q	15	15,000
Do., pref.	1¾q	15	12,349
Hollinger	1m	26	246,000
Holt Renfrew, prf.	1¾q	2	17,500
Illinois Pr. P., pref.	1½q	1	28,129
Do., pref.	1¾q	1	313,957
Illinois Traction, c.	50c. q	15	61,655
Do., pref.	1½q	1	109,342
Jamaica Pb. Ser., p.	$1.75 q	1	9,625
Kerr Lake Mines	12½c.	15	75,000
Laurentide	1½q	1	432,000
Mackay, com.	1¾q	3	724,157
Do., pref.	1q	3	500,000
Maple Leaf Mill., p.	1¾q	18	51,275
Montreal Telegraph.	2q	15	40,000
Maritime Tel., com.	1½q	1	12,750
Do., pref. (a)	1½q	1	15,000
Do., pref. (b)	1¾q	1	26,250
Nat. Breweries, cm.	$1 q	1	22,543
Do., pref.	1¾q	1	48,562
Nipissing Mines	3q	20	180,000
North Star Oil, prf.	1¾q	1	17,500
N. S. Steel, pref.	2q	15	16,420
Ogilvie Flour, com.	3q	3	75,000
Ottawa L. H. & Pr.	1½q	1	52,500
Ottawa Traction	1q	1	55,815
Pacific Burt, com.	1½q	3	9,750
Do., pref.	1¾q	3	11,375
Page Hersey, com.	$1.75 q	2	48,230
Do., pref.	1¾q	2	49,000
Penn. Water & Pr.	2q	1	169,900
Porto Rico Ry., prf.	1¾q	2	17,500
Price Bros.	½q	1	213,416
Prov. Paper, com.	1½q	1	52,500
Do., pref.	1¾q	1	29,750
Quebec Power, pref.	1¾q	15	38,552
Rogers, Wm., pref.	1¾q+*1¾q	3	19,649
Shawinigan	1¾q	10	350,000
Shredded Wheat, c.	2q	1	200,000
Do., pref.	1½q	1	18,750
Smith Paper, com.	1½q	20	55,405
Do., pref.	2q	20	30,000
S. Can. Power, pref.	1½q	15	37,500
Span. River Pulp, c.	1¾q	15	165,322
Do., pref.	1¾q	15	150,840
Sterling Coal	1q	3	25,000
Tri-City, pref.	1½q	1	45,000
Trinidad Elec.	1q	11	11,640
Tuckett Tob., com.	1q	15	25,000
Do., pref.	1¾q	15	35,000
Twin City, pref.	$1.75 q	1	52,500
Wabasso Cotton	$1.00 q	3	35,000
West Ind. Elec.	1¼q	3	10,000
W. Kootenay Pr., p.	1¾q	2	8,750
Win. Elec., pref.	1¾q	2	52,500
Woods Mfg., pref.	1¾q	1	27,063
Wright Hargreaves.	2½q	1	68,750
			$9,246,786

BANKS

Bank	Rate	Date	Amount
Dominion	3q	3	$180,000
Molsons	3q	3	120,000
Montreal C. & D.	$2.50 q	3	49,952
Nova Scotia	4q	3	400,000
Provincial	2¼q	2	67,500
			$817,452

LOAN, TRUST, INSURANCE

Company	Rate	Date	Amount
Can. Landed	2½q	3	$ 30,125
Can. Permanent	3q	3	210,000
Cen. Can. Loan	2½q	1	39,062
Crown Trust	1½q	1	7,500
Can. Perm. Trust.	1¼q	—	12,500
Chartered Trust	1¾q	1	9,020
Canada Life	3¾q	1	37,500
Dominion Life	4q	1	6,400
East Can. Savings.	2q	1	15,000
Eastern Trust	2½q	3	25,000
Guar. of N. A.	3q	15	9,138
Home Invest.	2q	1	19,852
Huron & Erie	1¾+½q	2	112,500
Imperial Life	3¾q	1	16,875
London Loan	1¾q	1	15,599
London & W., Trusts	1¾q	2	8,750
Manufactur. Fin., p.	4s	1	21,148
National Life	2½q	1	6,250
National Trust	3q	1	60,000
Ont. Loan & Deb.	2½q	3	43,750
Mercantile Trust	1½q	1	7,500
Montreal Trust	3q	15	30,000
Toron. Fin. Corp., p.	2q	15	10,044
Tor. Gen. Trusts	3q	2	60,000
Toronto Mortgage	2½q	1	18,112
Toronto Savings	3q	2	30,000
Royal Loan	2¼q	2	13,500
Union Trust	1¾q	3	17,500
			$892,625

*—On arrears.
q—Quarterly.
s—Half yearly.
m—Monthly.
sq—Semi-quarterly.

BOND INTEREST DUE IN APRIL

Company	Int. Rate	Due	Amount
Amer. Salesbook	6	1927	$ 7,956
Algoma Steel	5	1962	388,770
Brand. Henderson.	6	1936	8,988
Bell Telephone	5	1925	281,250
Do.	7	1925	192,500
B.C. Electric Rly.	4½	—	23,265
Can. Gen. Electric	6	1942	150,000
Cumberland Rly.	5	1940	28,550
Canada Cement	6	1929	173,922
Can. Cons. Rubber	6	1946	78,000
Carr. Factories	6	1940	13,865
Can. Cons. Felt	6	1940	8,895
Commercial Cable	4	2397	200,000
Camaguey Elec.	6½	1952	48,750
Can. Niagara Pr.	6	1932	45,000
Can. Paperboard	7	1937	28,000
Davidson Mfg.	6	1942	8,262
Dom. Canners	6	1940	39,600
Dryden Paper	6	1928	10,050
Dominion Power	5	1915-32	139,100
Duluth S. Shore	6	1925	32,310
Fraser Companies.	6	1920-29	45,000
Goulds Mfg.	6	1927	27,000
Hydraulic Power	5	1951	195,000
King Edward Hotel	7	1933	22,925
Mont. L. H. Lach.	5	1933	72,750
Montreal Tram. db.	5	—	428,750
Niagara Falls Pr.	6	1932	237,420
N. S. Trams.	7	1952	52,500
Ottawa L. H. & P.	8	1940	48,000
Quebec Power	6	1953	106,200
Rio Janeiro	5	1958	411,137
Sawyer Massey	6	1927	9,330
Tooke Bros.	7	1942	12,005
Western Power	7	1926	17,500
Winnipeg Elec.	4½	Perp.	98,550
Wisconsin Cn. Ry.	4	1959	201,160
Do.	5	1959	80,375

Corporation Bonds			$3,972,135
Municipal Bonds			*3,400,000
Provincial Bonds			*2,800,000
2nd War Loan	5	1931	1,328,290
Pub. Service Loan	5	——	3,750,000
Dom. Bond Loan	5½	1929	1,650,000
			$16,895,425

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* This figure is determined by dividing by 12 the estimated total interest payable during the year in these issues.

WHEAT ACREAGE REDUCED IN U. S.

Effect of Conviction that Canada Can Produce at Lower Cost

From Our Own Correspondent.

OTTAWA.—Reports received by official sources here from Washington are to the effect that the farmers of the western states, realizing their inability to compete on even terms in the foreign market with Canadian wheat, are reducing their acreage to spring wheat this year, and that by apparently 14 per cent.

It is also understood that much of this acreage formerly in wheat will be sown to corn, flax and oats, this being true of North and South Dakota, Washington, Minnesota, and Montana.

It is expected that as a result the acreage sown to spring wheat in Canada this year will not be very much reduced. Last year it was 21,917,000 acres, or about 400,000 more than in 1922. There is some dispute over the accuracy of these figures, but as they have been accepted by the provincial authorities, as well as by the Dominion Bureau of Statistics, they are considered the most authoritative that can be had.

MILLING INDUSTRY ENJOYS ACTIVITY

Volume of Business Greater in Last Six Months Than a Year Ago—Wheat to Orient

OTTAWA.—Of the 11,769,961 bushels of wheat exported during February, 3,092,000 went to China and Japan, the former taking 987,000 and the latter 2,105,000 bushels. China also took 3,000 barrels of flour and Japan 89,501 barrels. Hong Kong also took 110,126 barrels.

Ten years ago, in 1913-14, Japan bought 4,627,000 bushels of wheat and 793,000 barrels of flour; but China was not on the list of purchasers of either. If she took any it was a very small quantity.

The United States took only 101,000 bushels of wheat during February, so that it is quite plain that that country is not much of a factor in Canada's wheat market problem.

Canada sold wheat flour to 48 countries last month, her second best customer being Germany, with 243,727 barrels, the United Kingdom being first with 326,380 barrels.

The milling industry has been far more active during the last six months than it was during the same period in 1923. The total grindings of wheat during the five months from September 1 to January 31 were 43,066,000 bushels, as compared with 41,832,124 for the same period a year ago. In January the grindings were 1,000,000 bushels up over those for the same month in 1923.

The wheat flour production for these five months was 119,154 barrels over those for the preceding period. The production of oatmeal, however, jumped from 6,400,000 to 2,524,000 lbs., that of rolled oats from 50,719,000 to 62,189,000 lbs., and the export of flour increased by 156,000 barrels.

Big Butter Increase In Saskatchewan

From Our Own Correspondent.

REGINA.—More than a quarter of a million pounds increase in the quantity of creamery butter manufactured in Saskatchewan during the first two months of the year, as compared with 1923, is reported by P. E. Reed, provincial dairy commissioner, the total for January being 473,112 and for February 551,514 pounds, a total of 1,024,626 pounds for the first two months of the year, as compared with 771,572 in 1923, or a total increase of 253,054 pounds. The percentage of increase for January was 27.8 per cent., but the percentage of increase for February was even better, returns being 37.4 per cent. above the previous February.

CONSOLIDATED SMELTERS

The Consolidated Mining and Smelting Company reports ore receipts at Trail Smelter for the period March 8, to March 14, amounting to 9,700 tons, and for the year to date 96,408 tons.

DOMINION TEXTILE COMPANY Limited

NOTICE OF DIVIDEND

A DIVIDEND of one and three-quarters per cent. (1¾%) on the Preferred Stock of DOMINION TEXTILE COMPANY, LIMITED, has been declared for the quarter ending 31st March, 1924, payable 15th April to shareholders of record March 31st.

By order of the Board.
JAS. H. WEBB,
Secretary-Treasurer.
Montreal, Feby. 8th, 1924.

The Bell Telephone Company of Canada

NOTICE OF DIVIDEND

A DIVIDEND of two per cent. (2%) has been declared payable at the Office of the Company, in Montreal, on April 15, 1924, to shareholders of record at the close of business on March 22nd, 1924.

WM. GEO. SLACK,
Treasurer.
Montreal, March 12, 1924.

McIntyre Porcupine Mines Limited

(No Personal Liability)

DIVIDEND No. 22

NOTICE IS HEREBY GIVEN that a dividend of five per cent. (5%) on the issued Capital Stock of the Company will be paid on the 1st day of May, 1924, to shareholders of record at the close of business April 1st, 1924.

By Order of the Board.
H. G. LAUX,
Treasurer.
Dated at Toronto, March 21st, 1924.

The Toronto Mortgage Company

QUARTERLY DIVIDEND

Notice is hereby given that a Dividend of two and one-half per cent., being at the rate of Ten per cent. per annum, upon the paid-up Capital Stock of this Company, has been declared for the current Quarter, and that the same will be payable on and after

1st APRIL, 1924.

to Shareholders of record on the books of the Company at the close of business on the 15th instant.

By order of the Board,
WALTER GILLESPIE, Manager.

Howard Smith Paper Mills Limited

Dividend Notice on Common and Preferred Stock

NOTICE IS HEREBY GIVEN that a dividend of 1½% on the Common Stock (being at the rate of 6% per annum) and a dividend of 2% on the Preferred Stock (being at the rate of 8% per annum) of the HOWARD SMITH PAPER MILLS, Limited, has been declared for the quarter ending the 31st day of March, 1924, payable on the 21st day of April, 1924, to Shareholders of record at the close of business on the 10th day of April, 1924.

By Order of the Board.
HAROLD CRABTREE,
Secretary.
Montreal, March 24th, 1924.

WOODS MANUFACTURING CO. LIMITED

PREFERRED STOCK

DIVIDEND NOTICE

THE regular quarterly dividend of One and three-quarters (1¾%) per cent. on the PREFERRED STOCK of WOODS MANUFACTURING COMPANY, LIMITED, for the quarter ending March 31st, 1924, has been declared payable April 1st, 1924, to shareholders of record March 21st, 1924.

By Order of the Board,
JOHN T. F. KEENE,
Secretary-Treasurer.

THE B. GREENING WIRE COMPANY, LIMITED

Preference Dividend No. 3

NOTICE IS HEREBY GIVEN that a quarterly dividend of one and three-quarters per cent. on the Preferred Shares of the Company has been declared payable April 1, 1924, to Shareholders of record March 15, 1924.

F. J. MAW,
Secretary.
Hamilton, Ont., March 7, 1924.

The Dominion Bank

NOTICE IS HEREBY GIVEN that a Dividend of three per cent. upon the paid up Capital Stock of this Institution has been declared for the quarter ending 31st March, 1924, being at the rate of twelve per cent. per annum, and that the same will be payable at the Head Office of the Bank and its Branches on and after Tuesday, the 1st day of April, 1924, to shareholders of record of the 20th March, 1924.

By order of the Board.
C. A. BOGERT,
General Manager.
Toronto, 22nd February, 1924.

Canadian Industrial Alcohol Co., Limited

DIVIDEND NOTICE

NOTICE IS HEREBY GIVEN that a dividend of one and one-half per cent. (1½%) has been declared on the Capital Stock of this Company for the quarter ending 31st March, 1924, payable 7th April, 1924, to shareholders of record at the close of business 31st March, 1924.

By order of the Board.
J. GIBSON LAWRENCE,
Secretary.

Manufacturers and Distributors

Should Consider

MONCTON, N. B.

The Ideal Manufacturing and Distributing Centre of the Maritime Provinces.

The Railway Hub of the East.

Convenient to the Ocean Ports the year round, giving excellent service to Newfoundland, Bermuda, and the West Indies.

Apply to:

Advertising and Industrial Committee

MONCTON, N. B.

Province of Quebec

CITY OF HULL, District of Hull.

OFFICIAL CALL FOR TENDERS

PUBLIC NOTICE IS HEREBY GIVEN that the Council of the City of Hull will receive from now until four o'clock p.m., Monday, the 7th day of April next, at the office of the undersigned, written tenders for the purchase of Debentures of the City of Hull, to the amount of $292,000.00, for the consolidation of the Floating Debt, and issued with coupons attached thereto for the interest; payable said Debentures and interest at the City Treasurer's office in the City of Hull, namely:—

Debentures dated 1st May, 1922

By-Law No. 232

Amount	Denomination	Maturing	Rate	Semi-annual interest
$292,000.00	$1,000.00	1st May, 1947	5½%	1st May, 1st November

Such debentures shall be paid in Hull and delivered in Hull.

An accepted cheque representing one per cent. of the issue must accompany each tender.

All tenders must mention if the price includes or not the accrued interest on the coupons at the time of delivery, from the 1st of May, 1922, they shall be under seal with the indication "Tenders for Debentures" and addressed to "The City Clerk," Hull, Que.

The present issue has received the approval of the Lieutenant-Governor in Council of the Province of Quebec, the 4th day of March, 1924.

The City Council does not bind itself to accept the highest or the lowest or any of the tenders.

Given at the City Hall in the City of Hull, on this 12th day of March, 1924.

H. BOULAY, City Clerk, Hull, Que.

CITY OF TORONTO

$5,236,000 SERIAL BONDS

Sealed tenders, endorsed "Tender for City of Toronto Bonds," addressed to W. W. Hiltz, Esq., Mayor and Chairman of the Board of Control, will be received by the undersigned until 12 o'clock noon, Thursday, April 3rd, 1924, for the purchase of $5,236,000 bonds issued for various purposes, under several By-laws, and due 1924-1954 (approximate average maturity of the whole, 15 years).

Full details as to the purposes for which the bonds are issued, and amounts maturing annually, together with financial statement of the City, will be furnished on application.

The legality of the several issues has been approved by Mr. J. B. Clarke, K.C., Toronto, and his favorable opinion will be engraved on each bond.

The bonds are an obligation of the City at large, are issued in coupon form, with provision for registration of principal, and are of the denomination of $1,000.

The bonds bear interest at the rate of 5% per annum, payable half-yearly, and are payable both as to principal and interest in Toronto, or, at the option of the holder, in London, England, at the fixed rate of $4.86 2/3 to the pound sterling.

Engraved bonds will be ready for delivery on date of sale. Delivery and payment with accrued interest are to be made at the office of the undersigned.

Tenders will not be received for any part, but must be for the entire issue.

A certified cheque, payable to the undersigned, for 2 per cent. of the par value of the bonds tendered, must accompany the tender.

Tender specifying for bonds other than those herein described, or containing conditions varying from the above, will not be considered.

The right is reserved to reject any or all proposals.

GEO. H. ROSS,
Commissioner of Finance.
Treasury Department,
City Hall, Toronto, Ontario, March 27th, 1924.

City of Swift Current

Notice to Debentures Holders

NOTICE IS HEREBY GIVEN that in pursuance of the provisions of the recent Creditors' Agreement, the City of Swift Current is now in a position to pay interest at the rate of 3% for each of the years 1922 and 1923 on all City and Schools Debentures.

All Debentures and Interest Coupons which have matured or which may mature up to 31st December, 1927, should be forwarded to the City Treasurer together with full particulars of all unmatured securities held. A "Certificate of Indebtedness" will be issued in exchange for all securities surrendered.

Dated at Swift Current, Sask., 22nd January, 1924.

R. M. McCAUL,
Chairman, Board of Supervisors.
D. SEATH, City Treasurer.

PROVINCIAL PAPER MILLS LIMITED

DIVIDEND NOTICE

NOTICE IS HEREBY GIVEN that Dividends have been declared by Provincial Paper Mills, Limited, as follows:

Regular Quarterly Dividend, 1¾% on Preferred Stock.
Regular Quarterly Dividend, 1½% on Common Stock.

All payable on April 1st, 1924, to Shareholders of record as at close of business March 15th, 1924.

(Signed) S. F. DUNCAN,
Treasurer.

Abitibi Power and Paper Co. Ltd.

NOTICE IS HEREBY GIVEN that a Dividend of 1¾% has been declared on the Preferred Stock of The Abitibi Power & Paper Company, Ltd., payable April 1st, 1924, to shareholders of record at the close of business March 20th, 1924.

By Order of the Board.
L. R. WILSON,
Secretary.

TENDER FOR DEBENTURES

SEALED tenders addressed to the undersigned and marked "Tender for Debentures" will be received until 12 o'clock noon, Tuesday, April 8th, 1924, for the purchase of $167,500.00, County of Peel Debentures bearing 5% interest and payable in twenty equal annual instalments as to principal and interest, issued under the authority of By-law No. 621, to pay twenty per cent. cost of construction of Provincial Highways within the said County for the years 1922 and 1923.

L. H. WILLIS,
County Clerk.
Brampton, Ont.

The Trinidad Electric Company, Limited

NOTICE IS HEREBY GIVEN that a dividend of 1% for the quarter ending March 31st, 1924, on the Capital Stock of the Company has been declared.

Warrants will be issued and mailed to the address of each shareholder and are payable at The Royal Bank of Canada, Halifax, N.S., on and after the 10th of April, 1924.

The transfer books of the Company will be closed from the 1st to the 10th of April, 1924, both days inclusive.

By Order of the Board.
F. B. OXLEY,
Secretary.

Village of Richmond Hill

TENDERS will be received by the undersigned up to noon, April 10th, 1924, for the purchase of $95,000.00 of Richmond Hill Serial Bonds. Bonds run for thirty years and bear interest at 5½%. These bonds are for the purpose of building a new High School. Bonds and Interest will be guaranteed by the County of York. Largest or any tender not necessarily accepted.

A. J. HUME,
Clerk.
Richmond Hill, Ont.

NEWS OF THE BANKS AND BANKING

CONGRESS MAY SETTLE BRANCH BANK DISPUTE

Situation in United States Is Very Much Tangled

From Our Own Correspondent.

NEW YORK.—There is a growing disposition among those interested in the development of banking to have Congress settle the tangled problem of branch banking in the United States. News that the Federal Reserve Board is likely to reconsider its branch banking policy, has a direct and immediate interest not only to American bankers, but also to American business men. There is evidently much reason to think the Board will revise its position.

Even if the Federal Reserve Board should revise its position the situation as now existing—a situation of interest to Canadian bankers because of Canada's notable branch bank progress—will only be partially remedied since the policy of the Comptroller of the Currency and the attitude toward the question adopted in various states, coupled with the present regulations of the Federal Reserve Board, have produced a condition of almost hopeless confusion among American bankers.

"Either branch banking is a good system or it is not," says the New York Journal of Commerce, continuing: "There is abundant experience with it all over the world and plenty of basis for forming conclusions. Why shoud not Congress take it up and decide one way or the other? Then if the decision was adverse the national institutions could make up their mind, as they doubtless would in many instances, to gradually shift over to a state system. If the decision were favorable the new plan could be installed upon some limited and moderate basis that would satisfy reasonable requirements.

"Is this too much to ask? The present political jockeyng and equivocation embarrassess existing banks, leaves them uncertain and hurts financial growth."

The action some few months ago, reported in THE FINANCIAL POST at the time, of the supreme Court of the U. S. in refusing a rehearing in the case of the First National Bank of St. Louis was a serious step toward confirming the present branch banking status. Holding that national banks have no power to establish branches the Supreme Court's opinion assumed a position which precludes further expansion of America's banking system along the lines that are followed by state institutions.

Position Less Favorable

Meantime, Washington authorities have contended that the attitude of the Supreme Court in the branch bank case did not necessarily interfere with the establishment of the so-called "teller's window branches," which had been authorized by the Comptroller of the Currency some time ago as a means of placing the national banks of the larger cities. Their opinion is not shared by capable lawyers who have examined the law and facts in the case. There would seem to be a danger that "teller's window branches," if established in any considerable number, would be held up by legal proceedings and that the whole process of expansion along this line would labor under the most serious doubts so long as it rests only upon the present slender basis. The action of the present Comptroller and of his predecessor in the effort to get a situation more acceptable to the larger banks has simply resulted in a decision which makes their position less favorable than ever.

Meanwhile, the decision of the Federal Reserve Board in promulgating a ruling regarding the non-admission of new members or the retirement of the old ones, provided they insist upon extending their branch systems, has proven another element of complication and one which cannot be maintained in its present form. The board has tended to whittle away the edges of its position, modifying it here and there in one way or another, until the ruling does not mean very much. Two distinct elements now exist within the board, the one regarding the present branch situation as impossible and illogical, the other determined to adhere to its present position so far as practicable.

State banks are now more than ever in position to encroach upon the competitive territory of national institutions and there is every reason to suppose that they will do so. Not a few national institutions are well understood to be planning a transfer to State banking systems, while in a good many states where there is as yet no provision for branch banking, the subject is seriously under discussion, with a decided probability that a satisfactory enactment will be placed on the statute book. California, the self-styled home of "liberal," ideas as well as of agricultural co-operation, has extended the branch system very widely throughout her territory with good results, and other States are following this example. As things are going we may fairly well count upon a gradual decadence of the national system within the next few years.

A LUCKY ACCOUNTANT

After buying only one ticket in a drawing for a Gray Dort touring car staged in behalf of a private hospital in St. John, N.B., E. K. Morrison, an accountant in the Provincial Bank of Canada, St. John, won the car. Over three thousand tickets were sold in the drawing.

Canadian Bankmen Going to California

According to a Canadian business man who has been visiting some of the banks in Los Angeles there are a large number of young Canadian bankers with these institutions. For the most part they are men with accountants' or branch managers' experience and the reasons they give for going to the United States include: glowing reports of rapid growth and better salaries; greater opportunities due to the fact that the big increase in the volume of business in California must be taken care of; closer contact with the officials of the bank and more desirable climate.

SMALL BANKS CAN BE ESTABLISHED IN THIS COUNTRY

Private Banks Not Able to Compete With Big Institutions

By A. B. BARKER,
Manager, Toronto Clearing House.

In their theories of local banks and currency based on government bonds, on the lines of the American National banks, the Canadian advocates do not appear to realize that there is nothing in the law to prevent the establishment of organizations in Canada in all respects like American banks, except in name. Any local body of men can form an association which would have power to take deposits, lend money locally, and do a regular banking business with far less restrictions as to investment of the funds than chartered banks. They could not, of course, issue notes as currency but then neither do the small national banks in the United States. We have had private banks in Canada, but with very few exceptions they have found it impossible to compete with the branches of the chartered banks, which can and do give banking service to the communities in which they are located at rates which the small local institutions cannot meet and remain in business These banks cannot obtain deposits on the same terms as the wealthier opposition, nor can they lend to their clients on as favorable terms. True, the private banks may lend against land or chattel mortgage security, but from a banking standpoint this is wretched business, as it ties up the funds for too long.

When bank deposits are payable on demand, loans against land and chattels are dangerous, not because the security is weak, but simply because realization is necessarily slow. Funds obtained for investment must be had on terms which correspond to the terms of the investment. If the funds are to be used for mortgage loans on the usual terms on which these loans are made, five years or even three, the one who obtains them for that purpose cannot with any degree of safety agree to account for them on demand. This is the real reason why bank funds are not available for long term investment. Bank advances are not intended to enable a manufacturer to buy plant or machinery, but to supplement the working capital which he uses in the operation of his business. It takes a certain amount of time, of course, before the raw material can be turned into the finished article, sold, and the loan paid, but so long as the bank retains sufficient funds on hand to honor the day-to-day withdrawals, and so arrange its advances that there is a constant stream of repayment of loans from day to day in the usual course of business, adequate turnover in other words, it may with safety use its funds in this way, and so perform the service to the community for which it was organized.

Traders in Credit

A bank is a trader in credit; it buys credit from those who have it to sell in various quantities, and sells it to others in the quantities they require, just as the grocer buys and sells groceries, and, as he must have turnover, so must the bank. When a grocer sells too largely to those who are slow pay, and is forced to carry them, his business is necessarily curtailed, simply because he has difficulty in finding the cash to pay for the goods he buys, and the fact that he may hold security from his debtors does not alter the fact that his working capital is reduced to the extent that it is locked up in these unpaid accounts. No one has yet discovered a way of carrying on business other than by settling debts as they mature, as they were intended to be settled, in cash, and any attempt to alter this old-fashioned rule has been disastrous. It simply cannot be done.

This has been clearly shown in the Western States in the last few months, where the mortality in the small local banks has been exceedingly heavy. It is not stated that these institutions have been wrecked by speculation. The cause in every case has been the tying up of their funds in loans which cannot be liquidated. The majority are state banks which have power to lend on mortgage. Local directors with faith in their communities have made loans to farmers and others on real estate security, and the natural result has followed when local depositors wanted their money. And this system is what our western friends want in Canada!

COMMERCE

The Canadian Bank of Commerce are closing their branch at Eckville, and the business of that branch will, from and after March 31, be handled from the Red Deer branch.

L. J. LADNER WOULD GUARANTEE ONLY CERTAIN DEPOSITS

M.P. With New Theory On Banking Outlines His Scheme

From Our Own Correspondent.

MONTREAL.—One of the many suggestions for changing the Bank Act to meet the changing needs of the day, offered at the last session of parliament, was that of Leon J. Ladner. Mr. Ladner is member of parliament for Vancouver South and presented a plan to require each bank to open a department of guaranteed savings accounts, distinct from the ordinary savings accounts. Mr. Ladner has insured that his scheme will again be discussed in Parliament this year by introducing a notice of motion on the order paper.

Ladner is not the radical reformer type, out to upset the banking system of the country. He spoke to a Montreal audience the other night, chiefly composed of young business men, and described his plan. He made his case forcibly, and without attack upon the Canadian banking system, which he regards as the finest in the world. Whatever the weakness of his plan, he has at least brought it out as a sincere attempt to add the necessary element of confidence to Canadian banking.

Small Banks Dissappear?

Mr. Ladner feels that the present tendency to concentration of the banking business of the country in a few large banks is going to bring about a situation rapidly that will make it impossible for the smaller banks to continue business. In 1890, says Mr. Ladner, the four large banks of Canada had 30 per cent. of the desposits and the smaller banks had 70 per cent. To-day the four large banks have the 70 per cent. and the smaller banks divide up the 30 per cent. There are fourteen banks in Canada to-day, but Mr. Ladner feels that it will be impossible for Canada to have as many as fourteen banks in ten years if the present tendency away from the smaller banks continues.

The remedy to the situation, in his opinion, must be found in some plan that will win back public confidence for every Canadian bank, no matter how small. Public confidence is essential to the poise and balance of the banking structure. It is a delicately balanced system, for the entire twenty six hundred million of assets of the banks are balanced on top of but forty-seven million dollars of banking capital. Mr. Ladner figures this proportion of public to private money in Canadian banking by taking the $123,000,000 of paid up capital of the banks and deducting the $76,000,000 tied up in bank premises. His figure of course overlooks reserves which are about equal to the capital paid up.

Guaranty Only Part of Account

All savings deposits cannot be guaranteed and Mr. Ladner's plan does not call for this. He would have Parliament enact legislation that would require all banks to have guaranteed accounts into which depositors could put their money. These accounts would be guaranteed up to $3,000 on the insurance principle, in much the same manner as bank notes are now guaranteed by the central redemption fund at Ottawa, to which all banks have been contributing annually for some years. To build up an insurance fund for such deposits, Mr. Ladner proposes that a proportion of the premium should be paid by the bank and a proportion by the depositor. The depositor might receive only 2.7 per cent. interest on such accounts, the difference between that and the usual 3 per cent. rate going to the insurance fund and to be supplimented by a similar amount from the bank receiving the account. He feels that the banks could afford such a sum because the increased public confidence would bring in larger deposits.

Mr. Ladner presented as another solution of the banking problem a system of re-discount for Canada. "Canada cannot continue to have smaller banks without a system of re-discount," says Mr. Ladner. "Without such a system we will have an even more highly centralized system of banking within ten years."

Some of the points that have been brought up as weaknesses in Mr. Ladner's scheme and which will likely be discussed if his plan is pushed along in Parliament for broad discussion are as follows: that the cost of money to the banks would be raised and hence the rate of interest on loans: that lax banking might be encouraged, that it would take too long to build up a sufficient central insurance fund: that people would not care to accept a lower rate of interest on their desposits.

CANADA SHIPPING GOLD

The remarkable increase in the export of gold from Canada is reflected again in the figures for the month of February, which show that the total value of gold exported in that month, all of which went to the United States, was $2,102,787, and the total for the 12 months ended February this year, was $15,919,446, as compared with $4,532,124 in the 12 months ended February, 1923. Silver was exported in February to the extent of 279.925 ounces and valued at $171,685, making the total for the 12 months ended February, $3,257.335, a decrease of over $680.000 from the previous 12 months. Silver bullion exports totalled $653.386, as compared with $441.430 in the same month last year, and the total for the 12 months ended February was $8,210,610, as compared with $7,343,731 in the previous 12 months.

Sir Edmund Walker

(Continued from page 1)

Again the future president declined what seemed to be a big step forward in his banking career. "I have great faith in my own bank," the young accountant said, "and, having put my hand to another plough, I do not wished to take it off." As a reward for his loyalty his salary was increased and he was sent to Toronto as chief accountant. He remained there for only seven or eight months, being sent to New York as junior agent in 1873.

The Tale of a Cheque

An incident in Sir Edmund's career in the American metropolis is worthy of record. From 1868 to 1873 had been a time of great expansion in business in both Europe and America, and the Canadian Bank of Commerce had opened in New York in 1872. Trouble had begun in Vienna, and in September it struck New York with the failure of Jay Cooke and Company. His duties were those of an accountant. He had to carry out the transactions entered into by the senior agents, but he also had charge of all their loans of gold against currency and the keeping up of the margin thereon.

All of the big banking houses which failed had borrowed gold from the Canadian bank, and the junior agent's business was to manage so that they escaped loss. He got what was probably the last cheque that was certified of a great banking house which failed then. The messenger on a call for margin got the cheque, drawn, of course, on a clearing-house bank, but, on going to get it certified, the bank refused and the messenger hurried to Mr. Walker with the information, who went to the private office of the banker and told him, expecting only to hear that he had failed. He, however, took Mr. Walker to the bank, and, after he had conversed with the cashier, the cheque was certified. An hour later the house had failed.

Winning His Spurs

After two years in New York, Edmund Walker was sent to Windsor Ontario, as branch manager. The Canadian banks were heavily interested in lumber, and the Canadian Bank of Commerce had become entangled in a group of operators, another Canadian bank having about the same interest in other members of the same group. Walker worked hard for three years to relieve the situation—and won his spurs. His bank lost only a marginal sum, while the other bank made a loss which was one of the largest known in Canadian banking at that time.

In 1880 he was appointed inspector, with one clerk. The bank had then 30 branches in Ontario and offices in Montreal, New York and Chicago. During the year Walker prepared the first printed regulations of the bank and the first real cipher code. The scientific code maker was then unknown, and the inspector obtained the aid of Mr. Dwight, the father of Canadian telegraphy. Before Mr. Walker had completed the inspection of all the branches he was appointed manager at Hamilton. Six months later he was back in New York, this time as joint agent. He was there for five years, during which period the Canadian Bank of Commerce became a recognized power in foreign exchange, and was relatively much more important in its New York surroundings than it was in Canada.

Pinnacle of Banking Fame

Success leads to success. In the autumn of 1886 Sir Edmund, then Mr. Walker—he was knighted in 1910—was made general manager of the bank in whose service he had commenced as a discount clerk. He had won the position through sheer merit, efficiency and character, and the tremendous strides made by the bank during his executive control splendidly justified the wisdom of the directors' choice and brought to Sir Edmund his well-deserved reputation as one of the ablest bankers on the American continent.

Sir Edmund, who was born in 1848 in Seneca Township, Haldimand County, had been associated with the bank of which he was president for 54 years.

His Wide Interests

In addition to his activities in the Bank of Commerce, and the Toronto General Trusts Corporation, Sir Edmund took a broad interest in financial affairs. He has been chairman of the bankers' section of the Toronto Board of Trade; vice president, president and honorary president, president and honorary presiciation; chairman, section of money and credit, department of economics, International Congress of Arts and Sciences, Universal Exposition, St. Louis; vice-president, American Bankers' Association; fellow, Institute of Bangers of England. He wrote extensively, being the author of "The Canadian System of Banking," "National Banking System of the United States, a comparison with reference to the Banking Requirements of Canada." His public activities are summarized in part:

President Canadian Institute (oldest scientific society in Canada), 1898-99: President Toronto Guild of Civic Art, 1897-98: Trustee University of Toronto, 1892-1906: Senator, 1893-1901; Governor, 1906; Chairman Board of Governors, 1910; Chancellor, 1924: Honorary President Mendelssohn Choir since foundation in 1900 (leading choir in America).

St. Louis Exposition, Chairman Commission on Money and Credit, Congress of Arts and Sciences, 1904: President Council of Toronto Museum of Art: President Champlain Society; honorary degree of D.C.L., Trinity University (Toronto), 1904: honorary degree of LL.D., University of Toronto, 1906: Commander of Victorian Order, 1908: Knight Bachelor, 1910: Knight of Grace, Order of the Hospital of St. John of Jerusalem in England, 1910. Member of the following commissions: (1) Ontario Government—to determine financial position of Government, Chairman, 1900. (2) Ontario Government—Reorganization of University of Toronto, 1905-6. (3) Dominion Government Advisory Arts Council, member 1907, President 1910. (4) Dominion Government—National Battlefields Commission. (5) National Gallery of Art — Chairman Board of Trustees; Fellow Geological Society (Eng.), Institute of Bankers (Eng.), Royal Economic Society (Eng.), Royal Colonial Institute (Eng.), Royal Society of Canada; Chairman Toronto Conservatory of Music, 1917.

Good Crops to Follow Poor Year in Manitoba

From Our Own Correspondent.

WINNIPEG.—Farmers throughout Manitoba are somewhat discouraged this spring owing to the prevalence of rust in the crop of 1923 and it has been stated by C. H. Burnell, of Oakville, the president of the United Farmers of the province, that it seemed likely that there would be a loss of 35 per cent. in the acreage sown to wheat by grain growers in 1924. T. C. Norris, former premier of the province, predicts that the crop of 1924 would be quite satisfactory. He says that the records show that for many years there have not been successive years with a poor return to the Manitoba farmer. With reference to the general outlook for the West, Mr. Norris was quite hopeful.

Staff Gossip

E. M. Pilkey, who has been at the Bank of Montreal for the past two years, has been transferred to the branch at St. Catharines—The Free Press, Acton.

* * *

Jack Harris, formerly of the staff of the Bank of Montreal here, and more recently of Enderby, has lately been transferred to Armstrong.—The Review, Summerland.

* * *

J. B. Clark has been advised that the state of his health will not permit his resuming duty as manager of the Bank of Commerce at Southampton for some months, and J. E. Hogg has been sent from the office in Hamilton to assume charge of the bank's affairs. G. D. Durward, who has been taking Mr. Clark's place since he quit duty has returned to the Hamilton office.—Sun Times, Owen Sound.

* * *

For the purpose of getting better acquainted with one another, and also to study banking practice and allied subjects, a Staff Club has been formed embracing the members of the Bank of Nova Scotia in the five branches situated at Trenton, New Glasgow, Stellarton, Westville and Pictou.

The idea was conceived by some members about three months ago, and immediately was taken up as a good thing. Members of the various branches met and elected officers, the first year's staff being as follows:—Hon. president, L. D. Payzant, New Glasgow; president, F. T. MacLellan, New Glasgow; 1st vice-president, E. L. Allan, Pictou; 2nd vice-president, A. W. MacEwan, Westville; secretary, D. R. Holmes, Trenton.—The News, New Glasgow.

MONTREAL

It has been announced that the Bank of Montreal has decided to move from Thornbury, to take effect the last of April. The branch was opened five years ago by the Merchants Bank.

Exchange

The orgy of speculation in French francs has caused a sharp rise in New York to a new high level for the year of 5.63 cents. This situation is a reversal of that brought about by bear interests in the recent spectacular decline. The action of the French Government in securing foreign credit to bolster the market produced the meteoric rise, which has been stopped only it is claimed, by interests close to the government flooding the market with selling orders. Other European exchanges were stable.

NEW YORK FUNDS

	High	Low	Last Year High	Last Year Low
Mar. 20	2 31-32	2 13-16	2 9-16	2 1-4
Mar. 21	2 31-32	2 7-8	2 5-16	2
Mar. 22	2 29-32	2 7-8	2 5-16	2 1-16
Mar. 24	2 7-8	2 3-4	2 9-32	1 15-16
Mar. 25	2 3-4	2 13-32	1 3-4	1 15-32
Mar. 26	2 1-2	2 3-8	1 1-2	1 1-2

STERLING, FRANCS AND LIRE

	Sterling Demand	Francs Demand	Lire Demand
Mar. 20	4.30	5.13	4.30½
Mar. 21	4.29⅛	5.23	4.31
Mar. 22	4.28⅝	5.35¼	4.31½
Mar. 24	4.29¾	5.35½	4.30½
Mar. 25	4.29⅛	5.36	4.31
Mar. 26	4.29⅝	5.41	4.31½

Weekly Bank Clearings

(In comparison with same week last year).

Eastern Cities

	Mar. 20, 1924	Change
Halifax	$ 2,294,079—	$ 70,441
St. John	2,475,755—	167,374
Moncton	651,010—	250,957
Quebec	4,847,128+	98,795
Sherbrooke	698,140—	265,623
Montreal	82,748,538—	15,357,501
Ottawa	5,875,361—	110,733
Kingston	513,604—	30,235
Peterboro	708,965—	196,491
Toronto	81,830,431—	6,546,030
Hamilton	4,335,411—	694,152
Brantford	786,771—	101,578
London	2,285,319—	113,366
Kitchener	894,494—	136,541
Windsor	2,478,415—	678,149
Total East	$193,425,421—	$24,650,376

Western Cities

	Mar. 20, 1924	Change
Fort William	$ 723,216+	$ 75,896
Winnipeg	37,993,247+	2,890,641
Brandon	467,277+	31,470
Regina	2,870,314+	71,896
Saskatoon	1,485,830+	225,460
Moose Jaw	1,010,007+	80,125
Prince Albert	367,480+	51,163
Lethbridge	421,173—	3,011
Calgary	6,153,291+	1,737,845
Medicine Hat	282,688—	27,529
Edmonton	3,875,883+	400,390
New W'minster	660,766+	177,953
Vancouver	15,262,358+	3,135,526
Victoria	2,512,725+	737,904
Total West	$ 74,086,325+	$ 9,585,729
Grand Total	$267,511,746—	$15,064,647

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Dominion Bank Building,
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Extracts from our Bulletin on Twin City Rapid Transit common stock. The Bulletin will be mailed on request:

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Price ruled over 106 before war.
1910 to 1914 never sold below par.
Yield before war, 5⅛ to 5⅝%.
Yield to-day, about 9¼%.
$6,500,000 stock issued at par between 1901-1912.
No new capital in 10 years.
Funded debt increased only $385,000 since 1910.
Property values and reserves increased $19,536,215 since 1910.
Jitney service prohibited in Company's territory.
(No account too small to receive our careful attention)

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T. Kelly Dickinson, J. Y. K. Walbank, W. McLea Walbank.

BETTER OUTLOOK FOR IMMIGRATION

Number of Newcomers Shows Big Increase—Big Increase Is From Europe

From Our Own Correspondent.

OTTAWA.—The fiscal year just closing will show an increase of well over 100 per cent. in immigration, as compared with that during the preceding period. To the end of February the arrivals numbered 135,128, an increase of 104 per cent., and reports indicate quite an increase over the number of arrivals during March.

Immigration from the British Isles has doubled during the last year, but that from countries other than Great Britain and the United States has increased by probably 275 per cent. The gratifying feature is that by far the greater percentage of these have been from northern Europe, and thus are capable of being easily assimilated.

The prospects of getting a large number of immigrants from the United States is not so good. Only 991 came across the line last month, and it is doubtful whether the number for the fiscal year will much exceed 20,000. For the 11 months there was a decrease of 6 per cent. in this immigration, as compared with what it was during the preceding period.

The information that it is now costing the immigration department $24 a head to get settlers in the United States; $5.40 to get them in the British Isles, and only $1.70 a head to get them in other countries, shows that, in spite of all its advertising on the other side, the immigration officials are pulling against the tide. During the last immigration conference here, Col. J. S. Dennis of the Canadian Pacific Colonization branch expressed the view that it would be impossible for a while to get a large number of settlers from the United States, and developments are confirming this.

THE FINANCIAL POST

Member of the Audit Bureau of Circulations.

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Vice-President	HORACE T. HUNTER
Manager	GORDON RUTLEDGE
Editor	J. W. TYSON

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THE FINANCIAL POST HAS THE LARGEST PAID CIRCULATION OF ANY CANADIAN FINANCIAL PAPER.

MARCH 28, 1924

Edited for the thinkers of the nation—those people who analyze correctly and draw proper conclusions and who are responsible for the Nation's sound thought on matters political and economic.

BRIBERY A BOOMERANG FOR BIG BUSINESS

SIR RICHARD SQUIRES, former premier of Newfoundland, got into financial difficulties when he started a newspaper for electioneering purposes and accepted $40,000 from the British Empire Steel Corporation, just at the time he was revising the contract between his government and that corporation on the royalties it was paying on ore production. As a result Squires is labeled by a Royal Commission of Inquiry as guilty of accepting bribes and he goes down in history as a grafter.

In only a mild sort of way does the commissioner of inquiry blame the British Empire Steel Corporation for its part in the transaction. Yet it is just as much a breach of good citizenship and an offence against honorable dealings for a corporation to tender a bribe as for an official to receive it.

It is this kind of thing which has convinced the public that governments are in the employ of big business. The result is the excessive taxation and irritating regulation of industrial and financial corporations when the voters get the opportunity to pass such legislation.

BIG BOSSES MUST SERVE PUBLIC INTEREST

REPEATEDLY THE FINANCIAL POST has been accused of being a tool of the "big interests" in its attitude towards public ownership enterprises. Particularly has this been the case with the Ontario Hydro Electric and Sir Adam Beck. Let us then quote just one of many paragraphs of criticism of the domineering, one-man regime of the Hydro chairman embodied in the report of the Gregory Commission:

> "That a public body, subject to the legislature and the government, should continue these practices year after year would seem unbelievable were the facts not established beyond question by the extracts from Mr. Clarkson's report. The chairman (Sir Adam Beck) evidently regarded legislatures, governments and auditors as so many nuisances to which no more attention should be paid than was absolutely necessary. He certainly ignored them."

When the public interest is ignored, defied or trifled with—whether by private corporation or public trustee—THE FINANCIAL POST will use its influence to right the situation. This was true in the days of the private power companies in Ontario before public discontent made the Hydro possible. It is true to-day when public ownership has become so popular that Sir Adam Beck has been able to secure many millions of provincial funds for gigantic enterprises which he dominates in a way that would not be tolerated in the head of any private corporation.

In the old days THE POST criticized the power interests because their failure to serve the public endangered the money invested by the shareholders. To-day THE POST is endeavoring to show that, by ignoring sound financial principles and proven methods of administration, public ownership is endangering the millions which have been invested by the Government of Ontario and the sums invested by the various municipalities for which the taxpayers of the province are responsible.

And it should not be overlooked that, while the directors of the private companies were limited by the amounts invested by the shareholders and bondholders, the commissioners of the public enterprise are only limited, evidently, by the credit of the province.

PACKERS OPERATING ON RESERVE FUNDS

LARGELY as the result of the sensational—and unjustified—publicity given to the affairs of the packers during the inquiry by the Board of Commerce some years ago, many people have the idea that the packing companies consistently reap big profits. The report of the William Davies Company for the past fifteen months shows a loss of $21,917, without making provision for depreciation. The annual statement for Gunn's, Limited, for the year ending September, showed a deficit of $302.513. And this is only indicative of what the packers have been experiencing in the way of business depression for some years. The Davies Company showed a surplus of $5,600 for 1922, but paid no dividends and 1921 and 1920. when dividends were paid on the class "A" stock, the deficits were $1.535,673 and $402,151, respectively. Gunn's has paid nothing on the preferred stock since February, 1921.

The packing industry has made no profits in Canada in recent years. It is one of the most important industries in an agricultural country like this where the profits to the live stock producers depend upon modern facilities for getting meat products to consumers, both at home and abroad, at a reasonable cost. The service being rendered by the Canadian packers is indicated by the following figures from Canadian Grocer:

> Meat packing and slaughtering constitute one of Canada's principal manufacturing industries, according to a report by the Dominion Bureau of Statistics. The total value of the 1922 production was $143,414,693 as compared with $153,136,269 in 1922 and $240,544,618 in 1920. The total value of the amount of capital invested up to the end of 1922 was $56,710,481, and the number of persons employed in the industry was 9,800, wages and salaries paid aggregating $12,366,896.
>
> Figures for 1923 show that Canada exported during the twelve-month period, 1,003,048 cwts. of bacon and hams, valued at $18,947,005; and 226,072 cwts. of fresh beef, valued at $2,398,568. Of these amounts the United Kingdom took 992,391 cwts. of bacon and hams, and also 62,324 cwts. of fresh beef.

The big packers have been able to carry on without profit in Canada during the period of readjustment because of the reserves set aside during the period of war demand. War-time earnings, as was shown by the Board of Commerce inquiry, were made on a very small margin, but were due to immense turnover, which increased net profits rapidly because of a low ratio of overhead and the highest operating efficiency. The industry must still be prepared to carry on and serve the Canadian farmers and stock breeders with small chance of profit or making a return on the capital invested until such time as there is a return to something like normal consumption of American meat products in Britain and Europe.

DO NOT PUT OLD CIVIL SERVANTS ON STREET

THERE will be considerable opposition to re-organization of the civil service at Ottawa on the ground that it will entail putting a lot of people on the street at a time of life when they cannot earn a living in other ways. If re-organization should mean this, then it may be expected that the sentimental factor, combined with political influences, will go far in nullifying efforts to bring about an improved state of affairs.

But there should be no idea of turning out old servants who have played their part, without making provision for them. Any effective plan of re-organization should entail a superannuation arrangement for those who have served their time and also a promise for those in the service that they will be taken care of in their old age.

Of course it will mean a call upon the public funds to provide superannuation allowances, but it is the only fair way to take care of those who have served their time faithfully. And only by the elimination of the aged and the ineffectual can the service be put on an efficient basis.

A properly organized civil service will, we believe, provide as large or larger salaries for a smaller staff and take care of an adequate appropriation for a superannuation fund with a much smaller total outlay than that now being made with a large staff, a half-time schedule, and low efficiency. It is simply a case of organizing the government staff along the lines successfully employed by the banks and other big financial and industrial corporations.

FOR EFFICIENT TRANSPORTATION

ON THE basis of investigations conducted in Europe and in the United States and Canada, the Chamber of Commerce of the United States is opposed to government ownership and operation of railroads and other public utilities. This body has urged on President Coolidge a government railroad policy, based on private ownership and operation with recognition of mutual obligations between the corporations and the public.

Before the U. S. Chamber of Commerce, such leaders of public opinion as Secretary Hoover and Julius H. Barnes, president of the chamber, have warned that individual initiative is needed and that experience teaches that public ownership will not meet the situation. Mr. Barnes, after a tour of investigation, in Europe, reported:

> "The outstanding fact which impressed us all in these countries of Europe is the very clear conviction that state ownership and state operation of public facilities—I won't say public utilities but public facilities—has distinctly written itself as a failure. Not only is this shown in Italy's effort to get all its public state-owned facilities in private hands, but it is shown in Austria, where there is a recasting of the government railroad service and a discharge of 1,000,000 superfluous employes. It is shown in Great Britain, where the railroads under their return to private operation have greatly quickened the business and economic life of that island, and greatly improved the service and at the same time reduced the rates. It shows there is a general appreciation throughout all of Europe that these facilities must not only be in private hands but they must be regulated so wisely that they will present a field of attraction for the superior grade of private ability to enlist themselves in their administration."

The conclusion of this great body of representative business men of the United States is that "private ownership and operation of railroads is in accord with the American economic system and genius of the American people."

EDITORIAL NOTES

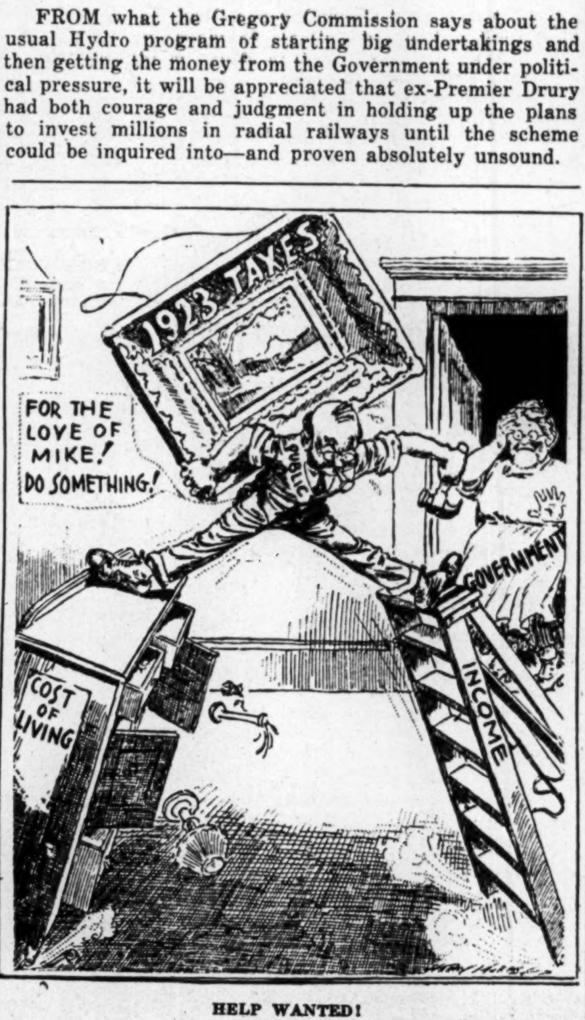
THE "On-to-the-Bay" campaign in Western Canada is evidently being organized with the idea that the Hudson Bay Railway might just as well be added to the tariff reductions as government concessions to hold the Progressive votes.

* * * *

WITH a proper system of book-keeping there is no more reason why a government should have to re-arrange the financial statements of its predecessors after they have been audited and passed, than for a new board of directors to similarly upset what has been done by the old board.

* * * *

FROM what the Gregory Commission says about the usual Hydro program of starting big undertakings and then getting the money from the Government under political pressure, it will be appreciated that ex-Premier Drury had both courage and judgment in holding up the plans to invest millions in radial railways until the scheme could be inquired into—and proven absolutely unsound.



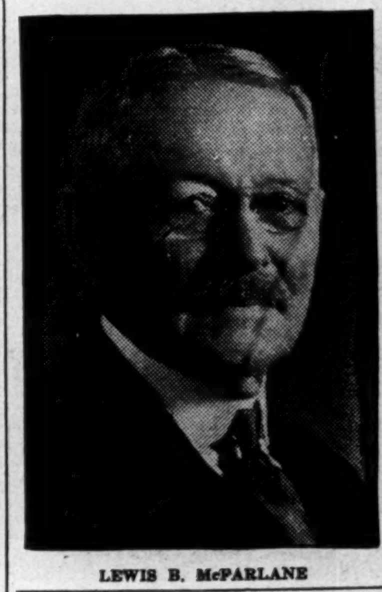
HELP WANTED!
—Murphy in the New York American.

Lewis B. McFarlane Rescued Dr. Bell's Letter From Fire

Present Head of Bell Telephone Company Was Responsible for Encouraging Telephone's Inventor in First Long Distance Experiment—Romantic Story of Rise From Messenger Boy to President

By FLOYD S. CHALMERS.

Forty-seven years ago a young man in a Toronto telegraph office dug out of his chief's waste-paper basket a letter from a crank up in Brantford who asked permission to try out a speaking telephone on the company's telegraph lines. The general manager had not given the request a second thought, but his young assistant induced him to grant the permission. He was responsible for the first long-distance telephone message in Canada.



LEWIS B. McFARLANE

That young man was Lewis B. McFarlane, who, to-day, sits at the president's desk of the Bell Telephone Company of Canada, and whose life story is the story of Canadian telephone development. The same Lewis B. McFarlane who made his superiors believe that the Canadian rights to the Bell telephone might be worth from $5,000 to $12,000. is to-day the directing head of an $85,000,000 corporation, built on that telephone. The same Lewis B. McFarlane who went around Canada trying to sell stock in the Bell Telephone Company when it was formed and was told that there was no future for "that sort of thing" can go out and sell millions of dollars of that company's stock at over par any day he wishes.

Started Out as Messenger

McFarlane is a Canadian. He was born in Montreal and started at the age of thirteen to earn his own living by acting as messenger boy in a telegraph office. From messenger he rose to a clerkship and then spent his spare time learning telegraph operating. Soon he was on one end of the wire between Montreal and Ogdensburg. One of the operators on this wire was young Charlie Hosmer, then an obstreperous youth, now one of Canada's leading business men. McFarlane, being the terminal operator, on the line in order, and many a time he "sat on" the energetic Hosmer at Coteau Landing who wanted to run the line.

For a while, McFarlane was telegraph operator at Bord au Plouff back of Montreal. His chief work was to keep the sawmills on the Ottawa River in touch with woods operations. McFarlane was succeeded by William Henry Drummond, and it was while serving at Bord au Plouff telegraph office that Dr. Drummond learned the patois, the legends and the customs of the French-Canadian lumberjacks, and habitants whom he had painted in his writings.

Traveling Around the States

After a few years of operating in Montreal, McFarlane felt the wanderlust that seemed to sieze every telegrapher in those days. He made the grand tour of many of some of the United States offices, where there was much to be learned of advanced methods of telegraphy. He operated keys in New Orleans, Nashville, and Detroit.

In Detroit, McFarlane operated the associated press wire in the old Western Union office. This was in 1879. On the other side of him sat W. A. Jackson and W. A. Forbes. Each of these three men became presidents of telephone companies: McFarlane of the Bell of Canada; Jackson of the Michigan District Telephone Company, and Forbes of the Michigan State Telephone Company, that succeeded the former organization.

Lewis McFarlane came back to Canada after his wanderings and settled down in Toronto with the Dominion Telegraph Company, working up through the next few years to become assistant to Thomas Swinyard. the general manager of that company.

Prof. Bell is Heard From

It was in 1876 that the request from Professor Alexander Graham Bell came to the Dominion Telegraph Company for permission to utilize the company's wire between Brantford and Paris. The general manager consigned the letter to the waste-paper basket with the remark to his young assistant: "Another of those cranks."

McFarlane would not let the request go unanswered. Not that he saw any great future in the speaking apparatus; but he knew that the Dominion Telegraph Company was struggling along in a difficult financial condition and that his job depended upon the company getting hold of every cent it could. So he induced the general manager not to turn down the opportunity of making a few dollars, and Bell was given permission, for a consideration, to use the lines for one hour. The rental was never collected. The test was so successful—although the sounds were sent in only one direction, because Bell did not realize that he could transmit and receive with the same instrument—that the Dominion Telegraph Company took the opportunity of getting hold of the rights for Canada of the Bell telephone instrument.

Looking Into the Future

While the negotiations were being carried out a number of telegraph men were asked to express their opinions of the possibilities of the new instrument. Mr. McFarlane, in a careful letter to the general manager, said that the Bell patents might be worth $5,000 to $12,000 to company, because the telephone might be of some value in connection with telegraph work! Charles R. Hosmer, then in telegraph work, in expressing his opinion, showed that clear analytical foresight that has characterized his business career. He made this remakable statement:

> "In this age of advancement it is impossible to foretell to what use and perfection the telephone may be brought and it therefore behooves us to protect our future by controlling one of them so if ever it replaces the present system of telegraphy we will be prepared to use it to save and utilize our present organization."

Competition Springs Forth

Telephone development in Canada was early in the hands of the telegraph companies. When the Dominion Telegraph Company acquired the Bell patent, the Montreal Telegraph Company got the Edison patent. There was a merry war, for a while, in putting the telephone to use, but it occurred to only a few at first that the telephone might have a value further than as an adjunct to a telegraph system.

There was an exchange system in Hamilton with a few subscribers. This was opened in March, 1878, shortly after the world's first telephone exchange had been opened at New Haven, Connecticut, in January, 1878. But the telegraph companies were responsible for putting the telephone on the map of Canada.

When the Dominion Telegraph

(Continued on page 15)

Hydro Launches Project Then Consults Government

On several occasions THE FINANCIAL POST has described the "tub thumping" tactics by which Sir Adam Beck and his Hydro organizations have forced important construction programs involving many millions of the people's money through the legislature by the use of the powerful political machine which has been built up and kept oiled to constant efficiency by efficacious propaganda.

It may be interesting to our readers and to the taxpayers of the province generally to know how the Gregoryy Commission regards the operations of this political machine. The following extracts are taken from the report submitted to the government:

> "The chairman of the Hydro has frequently shown impatience at the suggestion that the government should, before advancing the money asked for, look into the merits of the schemes for which it is asked. It seems to have been assumed that it is not for the government to ask why or to make reply, but to provide the funds.
>
> "Frequently announcements of proposed developments have been made without having first been submitted to the government for approval. The newspaper fyles of years gone by tell many an interesting story. They certainly show that the chairman is an expert in the art of creating and organizing public opinion.

The Usual Procedure

> "The procedure followed before applying to the government for money appears often to have been much as follows: Before or after the announcement of project or policy is made by the chairman, meetings are held, resolutions endorsing the scheme are passed and deputations arranged for. Soon the Hydro Press (so-called) is heard from in support of the proposed undertaking.
>
> "When the matter is taken up with the government, it has to deal with a project which the commission has already launched and for which a vigorous propaganda is already in full blast. The government cannot disapprove of the project without running counter to a large body of opinion that has been created in advance. If a government does disapprove of or question the project the Hydro Press begins to roar and the government is charged with political interference. As a rule governments object to being placed in such a position.
>
> "Sir Adam has undoubtedly regarded himself, and has been regarded by others as, in effect, the commission itself. His forceful personality has played a large part for years in settling—or unsettling—the relations between the commission and the government. He has a large and devoted following and has become a force that is recognized by all political parties."

The commission point out that on a number of occasions the Hydro interfered in municipal elections, and that it subsidized the Ontario Municipal Electric Association. This association in April, 1923, fathered a proposal to have the control of the Hydro projects vested in the municipalities. Yet, as the commission points out, the proposal was absurd, as in cash and guarantees the province has advanced $162.000.000, and the municipalities have paid off only $2,500,000 so far.

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The Essex Border Utilities Commission

5¾% Coupon Bonds

Dated 1st February, 1924. Due 1st February 1925-54.

Principal and annual interest (1st February), payable at the Canadian Bank of Commerce, Windsor, or Toronto, at the holders' option. Denominations: $1,000 and $500.

Subject to Legal Opinion of E. G. Long, Esq., K. C.

The bonds of the Commission are a direct charge upon the Municipal Corporations of the City of Windsor and Towns of Walkerville, Sandwich, Ford City, Ojibway, Riverside, and part of the Township of Sandwich West, where the improvements are made.

The district comprising the Essex Border Municipalities possesses so many natural advantages, and in addition such exceptional transportation and shipping facilities, that it has become to-day one of the most important, progressive and rapidly expanding industrial centres in Canada.

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The statements contained herein are based upon information which we believe to be reliable, although we cannot guarantee their accuracy.

INVESTORS' INQUIRIES

Questions of general interest submitted by subscribers of The Financial Post will be answered in this column, in which case only initials will be used. Other inquiries will be answered by mail. A three-cent stamp should be enclosed to cover a direct reply.

GREAT WEST PERMANENT

Enquirer, Portage La Prairie.—Could you oblige me with some information regarding the Great West Permanent Loan Company? I have had an offer of some shares at seemingly a reasonably low figure, if the loan company is financially sound, but I understand that this company was compelled to reduce their assets by about one third by Mr. Finlayson, the Dominion Superintendent. Could you oblige me with information regarding the financial standing of this company, and whether you would advise one to make an investment in shares, and if so, at about what price would you suggest paying for them?

Such a large proportion of the assets of the Great West Permanent Loan Co. are tied up in the Marlborough Hotel property that the future is very largely wrapped up in this enterprise. Under the conditions prevailing the hotel returns are regarded as fairly satisfactory. Should there be a revival of business in Western Canada there would undoubtedly be profitable business for this hotel, and this would be reflected in the affairs of the company.

JAMAICA PUBLIC SERVICE

J. P., Kitchener.—We would be pleased to hear from you as to whether you consider the 7% preference stock of the Jamaica Public Service Co. a safe buy to make. We understand the common stock is held by Jarvis & Company, Toronto, and that the company is managed by a firm called Stone & Webster, who apparently make a business of managing various kinds of organizations.

The 7 per cent. preferred stock of Jamaica Public Service Co. may be regarded as an excellent business man's investment. Jamaica Public Service Co. is a re-organization of the West India Electric. New interests have assumed control, and are proceeding with a definite program of expansion and improvement to enable the company to take full advantage of its valuable franchise rights in Kingston, Jamaica.

It is undoubtedly a strong point that the company is being managed by Stone & Webster, for these people are a firm with wide experience in the central management of public utilities, and their advice and experience as well as their actual operation of the property is valuable.

BROOKS STEAM MOTOR

Investor, Kentville.—I have been thinking of investing in Brooks Steam Motors, but before doing so would like to have your opinion. It know it is speculative, but from the information I have they have a truly marvellous car, undoubtedly the best steam car that has ever been built, and I am convinced, if this information is correct, that a great market awaits the car. I have also been told that the men behind this proposition are energetic, capable, clean and successful, and that they have surrounded themselves with the best automotive men procurable. If all this information is correct it looks good to me, if it is not true, I will greatly appreciate any information you can give me.

A good deal of what you say regarding the Brooks Steam Motor proposition may be regarded as true in a general sense. But we would just point out that the steam car idea is not new by any means, and that so far it has not been a real success in the motor world. Cars like the White Steamer and the Stanley Steamer were on the market for years, but made comparatively little progress in the race with the gas car. One reason, we believe, is that the steam car has been a high priced proposition. If the Brooks people can turn out a car such as they describe and sell it at the price proposed, there would seem to be a market for it—but production at a low price in a commercial way remains to be demonstrated.

One of our representatives was in Stratford recently and visited the plant which was secured there by aid of municipal backing. He says that they have a building but are evidently making little progress so far as their plant is concerned. The building taken over, we understand, was one in which the city was already interested financially from a previous industrial enterprise. Business men with whom our representative discussed the proposition were not very enthusiastic. The company evidently still faces the proposition of raising considerable capital. This at a time when the motor industry as a whole seems to be rather uncertain as to what the immediate future holds for it, and production has reached a tremendous scale. The industry is very largely in the hands of big corporations which have brought the science of production into play in getting prices to the lowest possible level, and have built up huge distributing organizations to cut the marketing costs to a minimum.

LAKE SUPERIOR CORP.

W.T.W., London.—Kindly give some data on Lake Superior Corp. Would like something on its history. What are 5 per cent. bonds due 1944 worth? Would you advise selling?

History of the Lake Superior Corporation is a long and evolved one. It really was started as a saw mill proposition by a man named Clurg. He was evidently a man of wonderful vision and really a great stock salesman. After he got his saw mill going at the Soo, he wanted a railway to haul the timber to his saw mills, but before he came around to this he discovered some iron deposits in the country some 60 miles north of the Soo, and decided that he wanted a steel plant and that the railway would not only take iron to the steel plant, but also wood to the saw mill. You can judge his stock-selling ability when it is stated that he went down to the Eastern States and financed these projects away up in the wilderness on the sale of common stock. Lake Superior Corporation is the parent company of a number of others. Bonds outstanding are $5,270,000, sold at 5 per cent., due in 1944 (the issue you ask about) are secured by $5,800,000 of bonds of the Algoma Steel Corporation. There is also a $3,000,000 issue of income bonds less $227,000 held in treasury and $40,000,000 of common stock. Control of the company rests with Philadelphia, while the major portion of the bonds are held in England. The company has three subsidiaries. The principal is the Algoma Steel Corporation, with $15,000,000 common stock, $10,000,000 preferred stock, and a couple of bond and mortgage issues. Algoma Central Railway is another subsidiary with $10,000,000 bonds outstanding, and approximately $5,000,000 in arrears of interest. Algoma Eastern Railway with a $2,500,000 bond issues, interest paid to date, is the other subsidiary. The Algoma Steel has in turn three subsidiaries, the Fiborn Lime Stone Co., stock $250,000; The Cennelton Coal and Coke Co., stock $500,000, bonds $285,000; Lake Superior Coal Co., stock $450,000.

Interest on the Lake Superior Corporation bonds has always been met, but that is about as far as you can go. Time and again there has been talk with the company passing the interest, but so far this has not been done. It has been close skating, however.

You ask would you sell at the present time. We doubt it. There are reports of a possible re-organizing which might help things materially.

RSC INVESTMENT-SERVICE

Bond Buyers Choose Corporation Issues

In view of the present cost of living, average investors are seeking higher interest yields than can be obtained from Government and Municipal Bonds at current prices.

Many of them are turning to high grade Corporation Bonds which may still be purchased to yield 6.50% to 7%.

May we send you a selection of such Bonds? If so, write—

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BRITISH EMPIRE STEEL

W. L., Toronto.—Would like some information regarding the British Empire Steel Corporation. I am desirous of obtaining your opinion as to the opportune time to average the price; also I would like to have a comparison of earnings of the different units before amalgamation took place, and at the present time, as I am under the impression they are much lower. I have also heard that some change in the management was under consideration, and might be announced at any time.

The earnings of the British Empire Steel Corp. are undoubtedly much lower at the present time than the combined earnings of the Dominion Steel Corp. and Nova Scotia Steel Corp. before these two were merged with the Halifax Shipyards into the British Empire Steel Corp.

The following table will indicate this situation:

Net Earnings Before Interest. Depreciation and Reserves

	Dominion Steel	Nova Scotia Steel
1917	$12,967,875	$3,069,449
1918	11,030,112	3,535,525
1919	8,768,054	2,193,305
1920	5,532,529	2,376,086
	British Empire Steel	
1921	$4,416,451	
1922	2,917,275x	
1923	4,444,347	

x not including $4,000,000 special income.

We are not in a position to state whether or not the present is a good time to average down your holdings on British Empire Steel Corp., because we do not know, probably no one else knows, whether the stock is going up or is going down. The corporation is undoubtedly making progress, but it is doubtful if this progress is sufficient to reconcile the large element among stock market followers and investors who have taken an attitude of opposition to the merger from the start and to the interests who consummated the merger and now own control of the corporation.

Of one thing we are convinced: that someone some day will build a large and prosperous steel and coal business around the plants of the British Empire Steel Corp. in Cape Breton. It may be done by the British Empire Steel Corp. as at present constituted, and as at present controlled, and it may be done by entirely new interests. But the primary consideration will be a large amount of additional capital; $15,000,000 at the least.

There has been a good deal of discussion as to change in management of the British Empire Steel Corp., but there does not seem to be any likelihood of immediate action here. The present interests have been working very hard for the past year to bring about better relations between the corporation and the employees, and to provide the plants with the kind of resident management they need. There was some discussion of the present president, Mr. Roy M. Wolvin, retiring and giving way to a resident operating president. But it was found impossible to obtain the type of man required, and it seems that these plans have fallen through.

The prospects for any broad scale changes in British Empire Steel Corp. within the near future are small.

BROMPTON COMMON

R.F., Vancouver.—I would welcome information on Brompton common which I hold at $40 per share. Has this company only common stock now? Have seen no mention of other stock. Have been told they were reorganized during last year. Is this correct?

As a shareholder of the Brompton Pulp & Paper Co. you will by this time have received the 1923 annual statement. This report must be considered as encouraging, for it shows that after payment of preferred stock dividends, more than $7 per share was earned upon the common stock during the year; that working capital has been considerably augmented and that the company's timber limits are being increased without any direct addition to the fixed charges of the corporation. Brompton is a company of a very diversified output and this has on the whole tended to be a strong influence for good. It is in the happy position of controlling the manufacture of its products from start to finish, for the mills manufacturing its bond and kraft papers are located in the United States and can sell products in the United States without payment of the duty that strictly Canadian kraft and bond paper mills are up against. The directors have given no intimation of their policy as regard dividends on the common stock, but one financial man very closely in touch with the corporation states that there is a strong feeling among a number of the directors that dividends should not be paid until further working caiptal has been built up out of earnings.

Your information that the company has been re-organized during the past year is quite erroneous. Brompton has been able to avoid all such financial difficulties.

The directors are: F. N. McCrea, president; H. W. Beauclerk, vice-president; J. N. Greenshields, E. Languedoc, W. N. Munroe, E. W. Tobin, C. C. Wilson, J. A. Bothwell, T. McAvity Stewart, H. E. Munroe, C. G. Greenshields.

DOMINION LIFE ASSURANCE

Subscriber, Brampton. — Two years ago I took out a $5,000 participating straight life policy with the Dominion Life Assurance Co., age 45, premium $204. At that time the agent told me the profits would almost take care of the premiums within 15 or 20 years. The first year's profits amounted to a little over $19 and the second about $1.75 more, so that I see little prospect of ever reaching a point when it will any way near carry itself and it occurs to me that possibly this is not the best kind of a policy for me. I have been trying to learn what amount other companies are able to pay on similar policies, but so far without success. Do you know what profits are paid by the other companies? Do you consider this the best kind of a policy for me?

The Dominion Life Assurance Company is sound to insure with, and the profits paid on participating policies are highly satisfactory. We would not advise you to drop your policy in this company.

It is illegal for an insurance agent to estimate the profits of his company. However, those paid by the Dominion Life are good, and if the present rate continues, your policy should be paid up in twenty years at least. There is every reason to believe that a high scale of profits will continue, but, of course, there can be no guarantee of this.

We would not advise you to reduce the amount of insurance, if possible to avoid it. An alternative would be to convert this policy into a fifteen or twenty payment life participating policy. If necessary, you might arrange to take the profits annually which would cut down the extra cost. Of course, you might convert into fifteen payment life non-participating policy. The premiums would be approximately $225 per annum. The annual premium on a twenty payment life non-participating policy would be approximately $190 per annum.

Why the Big Market Spread Between Empire Steel Preferred Issues?

It is hardly correct to say that Dominion Iron & Steel Company preferred shares are guaranteed by the assets of the British Empire Steel Corporation and the Dominion Steel Corporation. A brief resume of the transactions leading up to the formation of the British Empire Steel Corporation and the issue of its first preferred shares will indicate the relative position of these three securities.

Dominion Iron & Steel Corporation is the original company which owns and operates the immense steel plants at Sydney, N. S. It owned and operated the property prior to the formation of the Dominion Steel Corporation about 15 years ago, and it is still the owning and operating company. When Dominion Steel Corporation was formed it issued $7,000,000 of first preferred stock, which was backed by $3,500,000 of 6 per cent. income bonds of the Dominion Iron & Steel Corporation, and $3,500,000 of 6 per cent. income bonds of the Dominion Coal Company. Later, when the British Empire Steel Corporation was formed, the holders of the preferred stock of the Dominion Iron & Steel, and of Dominion Steel, were given the opportunity of exchanging their stock into preferred shares of the British Empire Steel Corporation and a large number of them did exchange their shares.

Thus we have the situation that there are to-day outstanding three issues of first preferred stock which bear some relation to the properties of Dominion Iron & Steel.

Dominion Steel Corporation ranks highest of these three preferred stocks, because it has the security behind it of the income bonds of the Coal and Steel propositions, and so long as the interest is paid on the income bonds, it is quite likely that dividends will be paid on the stock. On the other hand, Dominion Iron & Steel Corporation preferred shares rank after the income bonds, and therefore, are a less satisfactory security than the Dominion Steel preferred stocks. The British Empire Steel Corporation preferred dividends are in some degree dependent upon dividends from Dominion Iron & Steel and Dominion Steel Corporation, and, therefore, are not as satisfactory as Dominion Steel preferred stock, although ranking about the same as Dominion Iron & Steel preferred.

About a year ago there was only six or seven points difference in the market price of Dominion Iron and British Empire Steel preferred stock but as time as gone on and it has become a possibility that it may be necessary to pass dividends on British Empire Steel preferred stock in order to conserve the working capital resources of the corporation, investors have taken cognizance of the essential differences in its securities, and there is now about 15 or 16 points difference in the market prices. On a recent date, Dominion Iron & Steel preferred was quoted at 53, British Empire Steel preferred at 55, and Dominion Steel at 70.

The rather anomalous situation prevails that a holder of Dominion Steel Corporation 6 per cent. preferred stock, worth about 70 at to-day's market, could exchange into British Empire Steel 7 preferred, but the latter, although paying dividends at a rate 1 per cent. higher than the other, would be worth only 55. This of course, emphasizes the difference in the two securities. This difference may not be so important or marked in time to come as British Empire Steel Corporation works out its destiny, but at the present time investors seem to consider it an important difference.

Augustine Engine Head On Company's Position

A protest has been lodged against the statements recently made on this page regarding the Augustine Automatic Rotary Engine Company, by the president, Benjamin F. Augustine of Buffalo. Mr. Augustine declares that he was completely exonerated on the charge of sedition referred to; that H. C. Babel had nothing whatever to do with the Augustine Company of Canada, and that inquiries by the post office department have led to nothing. He confidently explains that after years of hard work and financial trials a successful subsidiary company has been organized in the Champion Rotary Motors Company, which will manufacture the Augustine engine on a royalty basis, and gives assurance that it will be only a short time now until there is something in the way of dividends for the shareholders.

Although a recent financial statement has not been supplied THE FINANCIAL POST, Mr. Augustine declares that the company owns its own plant, land, buildings, and machinery, which are free and clear of any mortgage, bond or loan, and that the company has always paid one hundred cents on the dollar. Much now depends upon the success of the company manufacturing the engine on a royalty basis, and it is as yet in the organization stage.

CURRENT OPINION

TO ENCOURAGE REVIVAL

(Orillia Packet)

There has been less elation than heretofore over the ease with which the last Dominion loan was absorbed by Canadian investors. People are beginning to realize that it would be much better if Canadian capital was finding so much scope for profitable investment in industry that there was none available for locking up in Government bonds. The campaign of abuse, and of restriction and taxation, against manufacturers has had its natural result, and capitalists are evidently seeking for investments where they will be sure of steady, if small, dividends, and will not be exposed to criticism as profiteers. A realization of the unwisdom of driving capital into this course may tend to win a more sympathetic hearing for the outcry that the manufacturers are raising against the sales tax, and for their contention that there should be an increase in the tariff. The workingmen, and the farmers, will begin to see that a reasonably adequate tariff will either produce more revenue, or will result in an industrial activity which will mean employment for the former, and a larger home market for the latter. Despite the efforts put forth in recent years to create bitter class antagonism, all classes of the community are to a greater or less extent interdependent, and what brings prosperity to one class, will bring it also to others. What Canada needs at the present juncture is a policy that will encourage a revival of industry. The first thing to do is to get our present industries working up to capacity. Then, in the natural course, others will be established. It is a mistaken impression that more factories necessarily mean less unemployment.

Study these facts

The whole ground work of facts underlying the present industrial and investment situation is thoroughly gone over in the new Greenshields Review.

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DEMAND TAXATION RELIEF

(Saskatoon Phoenix)

History has yet to record a popular tax, or the creation of a new tax without protest from those who seemed likely to bear it. But the present state of the Canadian public mind, when it thinks about the requirements and disbursements of the national treasury, is quite exceptional. An increase in the sales tax has just gone into force and from every corner of the Dominion there are protests, not the ordinary mild complaints, but howls of impatience. Associations of every sort, newspapers of every shade of opinion, independent exponents of public questions, unite in a demand on the government for some relief from the burden. Even La Presse, the most widely circulated of the French-Canadian newspapers, a loyal supporter of the government and a factor in the Liberal hold on Quebec, declares that the people of that province are waiting impatiently and anxiously for the promised program of tax reform and fiscal relief.

THOSE "POOR" GERMANS

(Ottawa Journal)

The London National Review publishes the following comparison of the respective war burdens carried by German wealth and British wealth in the last year of record. The figures are:

	Britain	Germany
Income tax	$1,615,000,000	$50,000,000
Death duties	280,000,000	2,500,000
Company tax	90,000,000	10,000,000
Total	$1,985,000,000	$62,500,000

Britain is crushed under debt; has millions unemployed and under-employed. France is taxing her people to the earth to pay for German devastation. Germany meanwhile is building up a mighty merchant marine; constructing huge canals; underselling France and Britain in the markets of the world; and German tourists wax in blatant wealth at international resorts.

And all the while we have Americans and Canadians worrying over poor Germany and raising money to pay for Germany's poor.

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April Bond List

The last Dominion and Provincial issues have now been almost completely absorbed and indications point to the fact that in the event of the usual heavy spring buying taking place, a scarcity of high grade securities is certain to occur.

We recommend the wide range of bonds described in our April Bond List, and suggest that they are worthy of your immediate consideration.

We would be pleased to forward a copy upon request

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St. Lawrence Paper Mills Sell Bond Issue

MONTREAL.—Public financing for St. Lawrence Paper Mills is now under way in the shape of an issue of $2,500,000 of first mortgage bonds. Nesbitt Thompson and Company will shortly make a public offering of the bonds.

St. Lawrence Paper Mills has recently completed its construction programme and now operates at Three Rivers, P. Q., a modern newsprint mill with two newsprint machines. The company was originally the Three Rivers Pulp Company and manufactured only groundwood pulp. Later it was found advisable to go definitely into the manufacture of newsprint and the company's name and capitalization were changed. Most of the shareholders are connected with the Hollinger Gold Mines for the Timmins interests, who control Hollinger, also control the St. Lawrence Paper Mills. Ernest Rossiter, formerly assistant general manager of the Brompton Pulp and Paper Company, is in charge of the company's affairs.

OPPOSE DAYLIGHT SAVING

NELSON.—Indications that daylight saving will be abandoned in many western centres this summer are manifest. Trail voted down the system by 405 ballots to 286. It is likely that Nelson and other centres will follow this example.

NEWS AND VIEWS ABOUT BONDS

BANKS MAKE HIGH BIDS FOR ISSUES OF TWO PROVINCES

Many Issues Sold; Prices Advance in New York

Provincial financing has held the centre of the stage in bond circles this week. The province of Ontario called for tenders on $3,000,000 of seven months treasury bills and a large number of bid were received. The action of the Provincial Treasurer in accepting the second tender, which was $121 less than the highest, on the ground that it indicated a willingnesss of the tenderer to accept the bills in $1,000,000 denominations, thus reducing printing costs, has been the cause of criticism among bond men.

The province of Nova Scotia and a number of municipalities also disposed of issues during the week. It is worthy of note that both provincial issues were secured by banks in competition with bond dealers. A slight revival in buying interest is reported, especially among small buyers. Some institutions have also been buying on a moderate scale. Comment has been made on the restricted volume of industrial issues this year as compared with last. This is taken to indicate the present uncertainty in business and the absence of any extensions among industrial plants generally. However, the unsettling revelations in provincial financial operations, especially in the province of Ontario, have led some dealers to feel that industrials will be looked on with favor. Some issues are now being prepared for public offering.

The surplus of money now so evident in New York is having an effect on the bond market. Many have turned to bonds and prices are rising as a consequence, United States government issues reaching new high levels for the year. This largely accounts for the high bids for the Ontario treasury bills payable in New York.

Ontario Issue Sold

The $3,000,000 Ontario treasury bills bear interest at 5 per cent. and mature in 7 months. The tender of 100.29, made by the Bank of Montreal, was accepted by the Provincial Treasurer. It was announced later that the price was considered exceptionally favorable and an additional $3,000,000 will be issued to the Continental Trust and Savings Company, Chicago, for their bid of 100.29403, making the total at present issued $6,000,000. The price is a 4.49 per cent. basis, but the cost is higher since the interest and principal are payable in U. S. funds. The tenders were:

Bank of Montreal	100.29
Continental Trust and Savings Co., Chicago	100.29403
Wood, Gundy & Co.	100.24512
McDonagh, Somers & Co.	100.14
Ames & Co.	100.11
Imperial Bank of Canada	100.11355
Macneill, Graham & Co	100.0676
Miller & Co.	100.0556
National City Company	100.048
Nesbitt, Thompson & Co.	100.041
Bank of Commerce	100.02416
First Trust and Savings Co., Chicago	100.076
Housser, Wood & Co.	99.94
Jarvis & Co.	99.9617
Equitable Trust Co., of New York	99.934
Doherty-Easson Co.	99.925
Dominion Securities Co.	99.906
R. A. Daly & Co.	99.90
Stimson & Co.	99.83
C. H. Burgess & Co.	99.83
Harris, Forbes & Co.	99.78

Buy Nova Scotia Issue

The issue of $2,500,000 of 20 year 5 per cent. bonds of the province of Nova Scotia, was awarded to the Bank of Commerce at 98.82 Canada. Tenders were called for alternative bids for bonds payable in Canada or the United States. The tenders were as follows:

	Payable Canada	Payable U.S.
Bank of Commerce	98.82	
R. A. Daly & Co., Bank of Nova Scotia, & Royal Securities Corp., Matthews & Co.	98.11	
A. E. Ames & Co.	97.91	98.59
Dominion Securities Corp.	97.157	98.33
Aemilius Jarvis & Co., & McLeod, Young, Weir & Co.	97.64	
Wood, Gundy & Co.	97.72	97.82
Gairdner, Clarke & Co.	97.932	
Nesbitt, Thompson & Co., G. M. Stimson & Co., J. M. Robinson & Sons	97.78	98.369
Macneill, Graham & Co., C. H. Burgess & Co., Doherty, Easson & Co.	97.77	
National City Co., Harris, Forbes & Co.	97.15	96.427

Mimico Sells Bonds

An issue of town of Mimico bonds of $160,725 has been awarded to C. H. Burgess & Co., at 95.50. They consist of $9,725 5½ per cent. 10-year instalment, $36,000 5½ 30-year instalment, $60,000 5½ 15-year instalment and $55,000 5½ 30-year instalment bonds.

Waterloo Issue Sold

An issue of $159,877.30 Town of Waterloo 5, 10, and 15 annual instalment 5½ per cent. bonds was awarded to McDonagh, Somers & Co., at 100.04. Tenders were:

McDonagh, Somers & Co.	100.04
Nesbitt, Thompson & Co.	99.819
Aird, McLeod & Co.	99.67
Dyment, Anderson & Co.	99.65
Bain, Snowball & Co.	99.56
McLeod, Young, Weir & Co.	99.48
Matthews & Co.	99.48
A. E. Ames & Co.	99.43
Municipal Bankers Corp.	99.38
Wood, Gundy & Co.	99.358
Macneill, Graham & Co.	99.17

Award Norfolk Bonds

The county of Norfolk awarded an issue of $50,000 fifteen instalment 5½ per cent. bonds to R. A. Daly & Co., at 101.277. At this price the county is paying 5.31 per cent. for its money. The bids submitted were:

R. A. Daly & Co.	100.277
Housser, Wood & Co.	101.095
Bain, Snowball & Co.	101.081
Aemilius Jarvis & Co.	101.07
Matthews & Co.	101.05
A. E. Ames & Co.	100.98
Nesbitt, Thompson & Co.	100.78
Zimmerman, Malloch	100.78
Dominion Securities Corp.	100.719
Bird, Harris & Co.	100.69
Campbell, Thompson & Co.	100.546
Bell, Gouinlock & Co.	100.51
Goss, Forgie & Co.	100.50
Dyment, Anderson & Co.	100.50
McDonagh, Somers & Co.	100.45
Municipal Bankers	100.405
McLeod, Young, Weir & Co.	100.37
Wood, Gundy & Co.	100.35
W. C. Brent & Co.	100.32
C. H. Burgess & Co.	100.26
Gairdner, Clarke & Co.	100.25
Stewart, McNair & Co.	100.23
Wfl A. Mackenzie & Co.	100.17
Macneill, Graham & Co.	100.07

Buy Dalhousie Issue

C. H. Burgess & Co. purchased privately an issue of $36,000 of 6 per cent. 20 instalment bonds of Port Dalhousie at 102.34. The money costs the municipality 5.725 per cent.

Sudbury Sells Bonds

An issue of $16,593 of 5½ per cent. 5-year bonds of the town of Sudbury was sold to C. H. Burgess & Co. at 97.16, a 6.17 per cent basis. Another issue of the same town for $6,496, bearing interest at 5½ per cent. and maturing in ten years has been sold locally at 99.

Buy Kingsville Bonds

C. H. Burgess & Co., have purchased $31,000 of 6 per cent. 30 instalment bonds of the town of Kingsville at 103.50. The money is costing 5.68 per cent.

Vernon Issue

An issue of $31,000, 5½ per cent., 15-year local improvement debentures of Vernon, B. C., was purchased by Royal Financial Corporation at 96.091, the money costing the municipality 5.97 per cent.

London Township Bonds

W. A. Mackenzie & Company have purchased $12,800 of 6 per cent. 20-year instalment bonds of the township of London privately.

HOWARD SMITH PAPER MILLS BOND ISSUE

Five Firms Unite in Offering $1,471,000 of New Bonds

From Our Own Correspondent.

MONTREAL.—Offering is to be made of $1,471,000 of bonds of Howard Smith Paper Mills. This issue was forecast in the company's annual report. Arrangements being made by this financing for the refunding of $200,700 of old Toronto Paper first mortgage bonds called for redemption in September as well as for the financing of the extensions to the company's plant that have been going on.

The issue is part of the present authorized issue of first mortgage sinking fund bonds paying 7 per cent. interest and maturing in 1941. It is being offered at 98 to yield 7.2 per cent. The offering syndicate includes Aldred and Co., Hanson Brothers, A. E. Ames and Co., Greenshields and Co., and R. A. Daly and Co.

From an official of Howard Smith Paper Mills comes information that up to the present, 1924 earnings show a very satisfactory increase over those of 1923. The mills are at present working at about 80 per cent of capacity. With regard to export business, all countries with the exception of India and Mexico, show a very satisfactory increase. Mexico has fallen off considerably owing to conditions arising out of the revolution, while in India, German and Scandinavian competition is particularly keen. Domestic trade is satisfactory, and showing a steady growth over 1923. Prices are holding steady and raw materials, such as rags, etc. show an inclination to advance, which may raise the price of paper somewhat. Regarding the sale of additional bonds, this financing has been closed at a satisfactory price, and will enable the company to repay the bank for the money advanced on the Cornwall and Gaspe additions, complete payment for timber limits, and bring working capital to about $1,250,000.

TORONTO CURB QUOTATIONS

	Bid	Asked
Abitibi Gen. Mortgage 6% 1940	94	96
Amer. Sales Book 6% 1927	98	
Ashdown Hardware 5% 1928	94	
P. Burns Co. 6½% 1943	98	100
Can. Machinery 6% 1940		75
Pedlar People 8% 1934	100	105
Whalen Pulp 6% Ser.	55	62
Whalen Pulp 7% Deb.	15	18
Black Lake	8½	11½
Can. Paperboard 7% 1940		92
Harris Abattoir 6% 1926	99½	
Mercury Mills 6½% 1942	97½	

Interesting Bond Issues

Canada Steamship Bonds Yield 7.40%

From Our Own Correspondent.

MONTREAL.—For over two years past the Canada Steamships Lines has been carrying out a policy of thoroughly overhauling its assets. Many boats have been sold; new boats built or acquired and old boats have been over-hauled. The financial statement has been going through a simultaneous process of overhauling to the end of eliminating deadwood from among assets.

This reorganization has been watched with interest by the company's bondholders. Now that it is stated on good authority that practically all the dead assets have been eliminated from the balance sheet it would be valuable to see to what extent the book position of the bonds has been altered.

When the $6,000,000 issue of collateral bonds was offered two years ago, fixed assets and net liquid assets totalled $30,000,000 against total bonds outstanding of $11,275,000. To-day fixed assets plus net liquid assets amount to about $28,000,000 as against total bonds outstanding of $10,580,000. Undoubtedly the earning power of the assets to-day is greater than was the earning power of the company's assets two years ago.

The 7's of 1924

At the present time the 7 per cent. bonds of Canada Steamships due in 1942 are selling around 97 to yield the investor about 7.40 per cent. The issue is payable in New York funds.

This issue is practically a first mortgage on the properties by virtue of the nature of the security deposited as collateral. The company has outstanding in the hands of the public $4,853,773 of 5 per cent. debentures that are interchangeable with first mortgage bonds. Of same issue of 5 per cent. debentures $8,400,000 are deposited with trustees as security for the 7 per cent. issue of 1942. At the face value of the first mortgage bonds (or debentures) held as collateral for the 7 per cent. issue is 140 per cent. of the amount of the 7's outstanding the latter issue is to all intents and purposes of equal rank with or better than the first mortgage issue. The market value of the collateral behind the 7 per cent. issue is a little more than the par value of the issue.

The Story of the Company

The company is looking forward now to increasing revenues. It is concentrating its activities on its most profitable routes, those on the Great Lakes and the St. Lawrence. Canada Steamship Lines Limited was organized in 1913 by the consolidation of ten companies, all long-established and successful concerns, including the Richelieu & Ontario Navigation Company, established in 1847. Through extensions and additions, it has since become the largest company in the Dominion engaged in inland water transportation of bulk and package freight and passengers.

It owns a fleet of ninety-six steamers having a gross tonnage of about 223,000 tons, and terminals, wharves, docks and warehouses at some fifteen points between the City of Quebec and Fort William at the head of the Great Lakes. In addition, the company owns and operates boiler and engine plants, and shipbuilding and repairing plants, and through a subsidiary, towing and wrecking companies and a coal sales company doing a large wholesale fuel and bunkering business.

While the company's revenues are derived from well diversified classes of business, including practically the entire Canadian tourist business on the Great Lakes, from which about one-third of its transportation revenue is derived, the most important freight item is grain.

Offer Higher-Than-Ordinary Yield

The Canada Steamships 7's of 1942 seem to offer more attractive security to-day than when they were first issued, and are given a fairly high rating by financial houses. Originally $1,500,000 of the total issue of $6,000,000 was sold in Canada but many of the bonds originally sold in the States have been drifting across the line to Canada and one bond dealer estimates that there are now more than $3,000,000 of this issue in Canada. They have become widely placed among Canadian investors who have been attracted by the higher than ordinary yield.

Toronto Carpet Bonds Yield Investor 6.20%

From Our Own Correspondent.

MONTREAL. — Offering of the million-dollar issue of bonds of the Toronto Carpet Manufacturing Company is being made at 98, the yield being 6.20 per cent. Hanson Brothers, of Montreal, are underwriters of the issue.

Toronto Carpet Manufacturing Company is the largest manufacturer of carpets and rugs in Canada, and through a subsidiary it manufactures carpets in the United States as well. In Canada the company owns a cloth-making subsidiary. Its stock is closely held and the company is understood to be in the control of the president, F. Barry Hayes, an able business executive who has brought the company to its present position of prominence.

The bonds are a first mortgage issue and mature in 1944.

BOND MOVEMENTS OF THE WEEK

Week Ending March 25.

BONDS	Int. Rate	Due Year	Yield	Range 1923 High	Range 1923 Low	Range 1924 High	Range 1924 Low	Latest Ask	Price Bid	High	Low
Asbestos	5	1942	7.01	90	79	83½	79	80	79	79	—
Bell Telephone	5	1925	5.40	101	97¾	100½	99¼	100⅝	99¼	99¼	—
Can. Bread	6	1941	5.81	100	96	102	99	102	101	102	—
Calgary Power	5	1940	7.58	76	72	75½	—	—	73½	75½	—
Can. Cement	6	1929	5.60	103¼	100	103½	100	102	—	102	100
Cedar Rapids	5	1953	5.06	98¼	93	99	95	—	99	99	98
Cons. Rubber	6	1946	6.16	102¾	98¾	99	97	98½	97	98	—
Dom. Textile (A)	6	1925	6.00	100¼	99¾	101¼	100	—	100	100	—
Ogilvie (B)	6	1932	5.64	103¼	102¼	102½	—	—	102	102½	—
Penmans	5	1926	6.20	97	93¾	97	95	—	96¾	96¾	96
Montreal Trams.	5	1941	5.79	92¾	87½	92	91¼	91¼	—	91¼	—
Quebec Rly.	5	1939	6.69	83½	68	83¼	80	84	83	83½	82½
Wabasso	6	1947	6.67	96	85	96¾	90¾	92	—	92	—
Wayagamack	6	1951	7.81	86¾	75	80¾	78½	79	75	79½	79
War Loan	5	1925	4.56	100.95	99.10	101.15	100.15	101.05	100.95	100.90	100.75
Do.	5	1931	4.82	101.80	99.80	101.90	100.15	101.25	101.15	101.05	—
Do.	5	1937	4.75	103.30	102.00	103.30	102.50	102.80	102.70	102.85	102.50
Victory	5½	1924	4.88	101.65	99.80	100.90	100.05	100.80	100.70	100.60	100.40
Do.	5½	1927	4.73	103.50	101.60	103.15	102.15	103.05	102.95	102.85	102.75
Do.	5½	1933	4.86	106.70	104.15	106.65	104.95	106.20	105.10	105.15	105.00
Do.	5½	1934	5.14	103.90	101.30	103.30	102.20	103.15	103.05	103.10	102.70
Do.	5½	1937	4.79	108.45	106.25	108.17	107.00	107.30	107.20	107.45	107.00
Do., Renewal	5½	1927	5.06	102.80	100.75	101.80	101.00	101.90	101.75	101.60	—
Do., Renewal	5½	1932	5.14	103.15	100.80	102.75	101.85	102.40	102.30	102.25	102.15
Do., Refund	5	1928	4.88	99.70	98.80	100.50	99.40	100.40	100.30	100.45	100.35
Do., Refund	5	1943	5.00	99.25	97.90	100.30	99.00	99.95	99.85	100.05	99.85

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INDUSTRY WAITS BRINGING DOWN OF THE BUDGET

(Continued from page 1)

during the week ended March 15 aggregated 57,385 cars. This was a decrease from the previous week of 135 cars, which was all in the east, western Canada showing an increase of 403 cars. Compared with the corresponding week last year loadings were increased by 10,424 cars, 8,579 cars in the eastern division and 1,845 cars in the western division. The cumulative totals to March 15 are 561,979 cars for 1924 and 505,350 cars for 1923, which is an increase of 56,629 cars, or 11 per cent. for this year over last year.

Prices and Profits Down

There is a tendency towards lower levels in the price of commodities—iron, coal, wheat, sugar and leather have recently been quoted lower. This should tend to lower the cost of living to the advantage of the farmers particularly, but the point is made by Hayden, Stone & Co., New York, that if the gross income of companies producing these commodities or into which these commodities enter is going to be further reduced, their profits will be reduced accordingly, unless there is some reduction in the cost of producing the same. This is equivalent to saying that there must be a reduction in labor if profits are to continue—and of this there is no indication. On the contrary, wages indicate a tendency to rise further.

In the opinion of students of the business situation in the United States, the underlying situation is still sound, however. Porfits are small but, according to such authorities as David R. Forgan, chairman of the board of the National City Bank of Chicago, manufacturers and merchants are doing a big volume of business, on which taxes impose a heavy burden, however. In the manufacturing districts labor is well employed at high wages, but in the Northwest farmers are finding it difficult to make ends meet, owing to the relative prices they receive for their products and what they must pay for the things they need.

According to the Cleveland Trust Company, the industrial activity, which became evident during January, has continued into March, but the enthusiasm of early February has moderated somewhat. Exceptional activity in several fundamental industries has served to emphasize the fact that conditions in several other important industries continue exceptionally dull. There is an extremely cautious attitude towards future commitments. Building still continues in large volume with February contracts considerably higher than a year ago. Steel demands for automobiles, railroads and construction have raised operations of the mills to 91 per cent. of capacity. Sales of mail order houses are materially higher than a year ago and retail trade is about as good as it was last March, according to the National Bank of Commerce in New York. Car loadings are at record levels for the time of year.

TAX RATES FOR 1924

Amherstburg	42	mills
Orillia	46	"
Guelph	37	"
South Vancouver	55	"
Calgary	44	"
Chatham	30½	"
Meaford	55	"
Sault Ste. Marie	39	"
Nelson	43¾	"
Gananoque	40	"
West Vancouver	40	"
Fort William	34½	"

Ontario's Housing Loans

The amount advanced by the Dominion Government to the province for housing purposes is $9,350,000; $8,653,655.99 has been advanced by the province to 77 municipalities, under the provisions of the Ontario Housing Act, 1919, and a number of payments are yet to be made by the province to a few municipalities; $4,321,267.25 was advanced to 17 cities; $3,076,211.48 was advanced to 37 towns; $357,329 was advanced to 14 villages; $898,848.26 was advanced to 9 townships.

DEBENTURE NOTES

VERDUN.—The Catholic School Commissioners asked authority to borrow $150,000, for school extension purposes, at a recent meeting of the Catholic School Commission of Montreal.

CIVIC AND PROVINCIAL FINANCE

MANITOBA GUARDS AFFAIRS OF RURAL CREDIT SOCIETIES

Ontario Officials Watching Developments in Farm Loan Situation

From Our Own Correspondent.

WINNIPEG.—In connection with rural credit societies in Manitoba, provision will be made by legislation for the appointment of special administrators of societies whose affairs are in some confusion. An arrangement will also be arrived at under which societies which overloaned in 1923 may make small loans in 1921 under special circumstances, that is, to save money already loaned. There has been talk of an increase in the interest rate, but it is stated officially that there will be no change in this respect.

The changes to be made in the Manitoba Farm Loans Act will relate to arrangements for the refunding of securities, and will set forth more clearly the borrowing powers of the association. Lachlan McNeil, the manager of this association, is known to favor the securing of money through the sale of securities in the United States, and to be opposed to the taking of money from the provincial savings office, which is repayable on demand.

Officials in Ontario are watching the developments in Manitoba carefully, since the same principle was adopted by the Drury government in establishing the Provincial Savings Offices, and the farm loan system. Following the recent uncertainty in the banking situation it has been considered advisable to continue the savings offices, but reports of overloaning have been made at times.

TORONTO IN MARKET FOR FIVE MILLIONS

Ontario Treasurer Provides for Financing; May Increase Sinking Fund Payments

With the increased interest in the bond market following the sale of Ontario and Nova Scotia issues at good prices during the week, comes the announcement that the city of Toronto is calling for tenders on $5,248,000 of 5 per cent. bonds with varying maturities from 1924 to 1954, averaging 15 years. The bonds are being issued under several by-laws and the proceeds will be used for various purposes. An interesting feature is that the bonds are payable in Toronto or in London, Eng., at par of exchange.

Further financing by the province of Ontario is forecast in a bill introduced in the Ontario Legislature authorizing a loan of $40,000,000. The Provincial Treasurer explained that $26,000,000 will be required for refunding, and the balance for general purposes. The bill limits the length of the loans to 40 years.

Another clause of the bill is regarded with satisfaction in financial circles. It provides that a sinking fund greater than one-half of one per cent., as is at present in vogue, may be set up. Speculation exists as to whether this is the first step in an attempt to place the provincial sinking funds on an adequate basis.

New Brunswick Fears Big Railway Deficit

The New Brunswick estimates, placed before the legislature by Hon. J. E. Hetherington, provincial treasurer, point to a surplus for the province in 1924 of $55,482 on ordinary account. However, this will be more than wiped out by an expected deficit of $260,000 on the St. John & Quebec Railway.

Estimates of Ontario Are Lower This Year

The main estimates of the Province of Ontario for the current year total $51,298,685, a reduction of $1,248,093 from the figures of $52,546,778 in the main estimates last year. The actual difference between the present estimates and the total last year is $19,850,777, but the supplementary estimates will reduce this substantially.

Reductions are shown in every department. The biggest decrease is fourteen millions, in the Prime Minister's department. The Education Department shows a decrease of $1,971,479.28, and the Public Works, a decrease of $1,820,971.57.

The amount voted for Hydro totals $23,090,000, including $1,000,000 for rural transmission lines, $13,500,000 for the Niagara system and $7,500,000 for developments on the Chippawa scheme. They also provide $500,000 for building a railway into South Lorrain district in Northern Ontario.

Municipal Notes

Waterworks Deficit

The financial statement of the City of Quebec Waterworks Department shows a deficit of $20,057 for 1923. Appropriations for 1924 are set at $114,100.

Brandon to Pay Debts

The Municipal Committee of the Manitoba Legislature has approved a bill to allow the city of Brandon to make an additional levy during 1924 to pay off the city's debts. The levy will not exceed three mills on the assessed value of rateable property.

Submit Meaford By-Laws

The Meaford council is preparing to submit two by-laws to the electors in the near future, one for $30,000 to provide an addition to the high school and the other to guarantee a fixed assessment of $3,000 for the Knight Manufacturing Company.

Shelve Tax Bill

The bill introduced in the Ontario Legislature by F. G. McBrien to increase the exemption on municipal income tax from $2,000 to $2,500 for married men and from $1,000 to $1,500 for single men, has been left over for consideration during the recess. The bill was opposed by practically all of the cities in the province.

Kingston Spends Less

According to a report presented by O. V. Bartels, city treasurer of Kingston, to the council, the outstanding debt of the city is $2,414,622. Against this is set off $619,600 utilities debt, $432,000 owners' portion of local improvement debt and $347,226 sinking fund.

The budget of the Board of Education calls for an expenditure of $184,029 in 1924, a decrease from the figure of $187,029 spent last year. The expenses for public schools are estimated much lower, but those of the collegiate are higher, chiefly on account of increased salaries.

Adopt Improvements Tax

The estimates committee of the city council of Oak Bay, B.C., have recommended a tax rate of 36.4 mills for 1924, with the adoption of a 25 per cent. tax on improvements. This change from the single tax on land is a compromise from the demands of some large holders of vacant land for a 50 per cent. improvement tax. It is estimated that $259,000 will be required to meet municipal expenditure, including schools, for 1924, of which $133,000 must be obtained through general taxation.

The net taxable land assessment is $3,451,000, which, together with the 25 per cent. taxable improvement assessment of $1,132,000, makes a total taxable assessment of $3,583,000.

Harbor Board Deficits

In a pamphlet covering the development of the harbor at Toronto under the Harbor Commission, the Bureau of Municipal Research warns against the danger of the whole scheme becoming a disastrous burden on the taxpayers. The accumulated deficits to date are given as follows:

To December 1,	1917	$ 297,466.96
Deficit for year	1918	208,693.71
" " "	1919	549,012.05
" " "	1920	657,689.77
" " "	1921	874,173.36
" " "	1922	1,040,557.77
Estimated deficit for 1923		1,187,173.60
		$4,814,767.22

The bulletin points out the difficulty which an average citizen meets in securing any coherent idea of the city's finances on account of the multiplicity of departments and boards. It also expresses hope that the area on the harbor front may be developed soon to bring about a reduction in the deficits.

Hamilton Estimates

The estimates of the city of Hamilton for 1924 indicate the difficulty of reducing the taxes in the face of present conditions. The uncontrollable expenditure including that for independent boards and debentures issues, amounts to $3,663,722 as compared with $3,395,358 last year, an increase of $268,364. On the other hand the expenditure for civic departments is within $1,000 of last year, at $2,460,184. The total estimated expenditure is $6,123,906. With a tax rate of 32 mills it is proposed to raise the money as follows:

Arr. 1920, 20% of	$ 33,837	$ 6,767
Arr. 1921, 50% of	67,408	33,704
Arr. 1922, 50% of	300,206	150,103
Arr. 1923, 50% of	527,206	263,603
Yr. 1924, 90% of	5,012,109	4,510,898
Revenue from taxes		$4,965,075
Revenue from other sources		1,158,831
Total		$6,123,906

Economize at Calgary

It is announced that the city's mill rate this year will be 44 flat, the lowest since 1919. Last year it was 49.82 mills. The assessment for 1924 is $57,894,183, as compared with $59,656,292, in 1923, a decrease of $1,762,109.

The decrease in the mill rate has been accomplished in the face of a decreased assessment, and also the fact that this year provision has been made for full sinking fund levies. Reduction in departmental expenses of $114,989, and a cut of $82,812 in the demands for education were the two chief factors in bringing about the decrease.

Mayor Webster states there will be no let up in the economy policy, and throughout the year the commissioners will carry out the instructions of the council in scrutinizing every branch of the civic service.

Tax collections in the city for January, February and the first thirteen days of March amount to $280,291, being $137,957 more than for the corresponding period last year.

INDICATIONS OF IMPROVEMENT IN SASKATCHEWAN

Reduction of Municipal Deficits a Good Sign

From Our Own Correspondent.

REGINA. — Notwithstanding the fact emphasized by Premier Dunning in his budget speech that the farmers of Saskatchewan received between fifty and sixty million dollars less for their products last year than they did for the 1922 crop, A. J. Dowd, M.L.A., for Kerrrobert, supported in the house the premier's contention that the people of the province had made a small but an appreciable gain the past year.

"I am not basing my opinion on figures gathered by this government or any government," stated Mr. Dowd, "but have made it my business to go right out into the field of operations, talk to the men on the land, the storekeepers, the banks, the municipalities, and I know from what they have told me that times are on the mend. I have also secured some statistics from about a dozen rural municipalities, the majority of them from my own or adjoining constituency, and the others in the southwestern part of the province, which substantiates this view.

In 1921 these twelve rural municipalities showed an aggregate cash deficit of $379,952. Every municipality had a deficit, the figures ranging from $15,116.42 to $89,562.35. In 1922 one municipality showed a cash surplus of $11,725, but all the rest showed a cash deficit, the net deficit for them all amounting to $219,431.93. In 1923, however, there was a pronounced change for the better. One rural municipality which had a cash deficit of $21,762 in 1921, showed a cash surplus of $27,401.82. Another which had a cash deficit of $54,140.73 in 1921 and cash deficit of $33,681.60 in 1922, had a cash surplus of $4,052.61 last year. Still another which had a cash deficit of $18,242.11 in 1921 and deficit of $13,336.67 in 1922, had a cash surplus of $13,175.40 for 1923. The net cash deficit for the block of municipalities was only $40,906.68 as compared with nearly ten times that sum two years ago.

A comparative statement of the liquid assets and liabilities of the same municipalities showed that assets had been written down from $1,020,903.22 in 1921 to $950,891.35 in 1923, but liabilities had been reduced from $632,387.43 in 1921 to $318,211.87 in 1923, leaving the surplus for the twelve at $632,679.48 as compared with $388,515.79 in 1923.

Mr. Dowd criticized a statement by a member of the opposition that the cost of production would be greater for the 1924 crop.

"No man living can forecast accurately what it is going to cost to produce the crop this year or any year," said Mr. Dowd, "for the big cost of producing a crop starts the day you commence cutting rather than the day you start seeding operations."

Nelson, B.C., Will Issue $55,000 of Debentures

NELSON. — Tenders have been called by the city for the sale of $55,000 thirty-year debentures bearing interest at 5½ per cent. Tenders close March 30.

Tenders and By-Laws

TENDERS WANTED

Apr. 5, Toronto Twp.—$23,000, 5%, 30-instal. debentures. J. R. Kennedy, Clerk, Dixie P.O., Ont.

Apr. 8, County of Peel.—$167,500, 5% 20-ins. L. H. Willis, County Clerk, Brampton. (See announcement on page 16.)

Apr. 7, Hull.—$292,000, 5½% debentures, due 1947. H. Boulay, City Clerk. (See announcement on page 16.)

Apr. 1, Drummondville.—$35,000, 5½% bonds, due 1934. C. H. Lalonde, Clerk.

Apr. 8, Torquay, Sask.—$8,000, 20-yr. debentures. S. Pearson, Sec.-Treasurer.

Apr. 10, Village of Richmond Hill.—$95,000, 5½%, 30-yr. A. J. Hume, Clerk, Richmond Hill. (See announcement on page 16.)

Apr. 3, Toronto.—$5,236,000, 5 per cent. serial bonds, due 1924-1954. Geo. H. Ross, Commissioner of Finance.

SASKATCHEWAN

Authorizations Granted by the Local Government Board from Mar. 6 to Mar. 20, 1924.

Schools—Airlie, $1,500; Biggar, $2,500; Devonia, $500; Rose Valley, $4,500; Havelock, $1,100.

Telephones—South Cupar, $600.

City of Regina—$68,700.

Debentures Reported Sold

Schools—Wallasey, No. 3629, $3,500, 15-yrs., 7% Cross & Co., Regina.

Telephones—Crystal Springs and Invergordon, $300, 5-yrs., 8%, Cross & Co., Regina. Glenrose, $500, 10-yrs., 7%, Cross & Co., Regina.

Town of Nokomis, $6,000, 5-yrs., 8%, Locally. South Forget R. T. Co., $425, 8-yrs., 7%, Duck Lake Sinking Funds. Pibroch R. T. Co., $1,300, 10-yrs., 6¼%, Biggar Sinking Funds. Scott R. T. Co., $650, 5-yrs., 7%, E. S. Neil, Scott.

WEEKLY RECORD OF GOVERNMENT AND MUNICIPAL BOND SALES

Date—	Place—	Sold To—	Rate	Term	Amount	Price	Basis
Mar. 20	—Saskatchewan Schools, etc.	Various	..	..	$12,675	..	..
Mar.	—Mimico	C. H. Burgess & Co., Toronto	5½%	10, 15, 30-ins.	160,725	95.50	..
Mar. 22	—Norfolk County	R. A. Daly & Co., Toronto	5½%	15-ins.	50,000	101.277	5.31
Mar.	—London Township	W. A. Mackenzie & Co., Toronto	6%	20-yr.	12,800	..	..
Mar. 21	—Waterloo	McDonagh, Somers & Co., Toronto	5½%	5, 10, 15-ins.	159,877	100.04	..
Mar.	—Vernon, B.C.	Royal Financial Corp., Vancouver	5½%	15-yr.	31,000	96.091	5.90
Mar. 12	—Sudbury	C. H. Burgess & Co., Toronto	5½%	5-yr.	16,593	97.16	6.17
Mar. 12	—Sudbury	Locally	5½%	10-yr.	6,496	99	5.62
Mar.	—Port Dalhousie	C. H. Burgess & Co.	6%	20-ins.	36,000	102.34	5.725
Mar.	—Kingsville	C. H. Burgess & Co.	6%	30-ins.	31,000	103.50	5.68
		PROVINCIAL					
Mar. 25	—Ontario	Bank of Montreal	5%	7 mos.	3,000,000	100.29	4.49
Mar. 25	—Ontario	Continental and Commercial Savings Bank, Chicago	5%	7 mos.	3,000,000	100.29403	..
Mar. 24	—Nova Scotia	Can. Bank of Commerce	5%	20-yr.	2,500,000	98.82	..

To Whom do you Lend

First to him who will pay back, and secondly to him who will pay most for the use of your money.

Governments, Municipalities, Railroad and Public Utility Corporations are all bidding one against the other for the use of your money. A qualified Investment Banker is best able to advise in which of these your money will safely bring the highest returns according to time and circumstances.

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Over 22 years Investment experience.

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Incorporated
Montreal- 180, St. James St.
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(ESTABLISHED 1901)
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Bought and Sold

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Correspondence invited.

"We cover the Maritimes"
EASTERN SECURITIES
Company Limited
St. John, N.B. Halifax, N.S.
Charlottetown, P.E.I.

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The matter of business failures is of grave importance to you; more so, is the means of ensuring freedom from the losses entailed.

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Temple Building
BRANTFORD, ONT.

THIS BOND *Yields* 8%

The issue is a First Mortgage on property and real estate valued at $1,799,000. This is equal to over seven times the amount of the issue. Earnings are at the rate of four times total interest charges. The security, therefore, is ample. In addition, the Principal, the Interest and the annual Sinking Fund are guaranteed. Payable in New York and Montreal.

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Mining & Investment Securities
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GOVERNMENT, MUNICIPAL, AND RAILWAY BONDS
EST'D 1886 LIMITED

THE MUTUAL LIFE ASSURANCE COMPANY OF CANADA
WATERLOO, ONTARIO.
STATEMENT SHOWING THE PROGRESS OF THE COMPANY BY DECENNIAL PERIODS

YEAR	INCOME	ASSETS	PAID TO POLICYHOLDERS	BUSINESS IN FORCE
1873	$16,435	$23,144	$2,687	$701,100
1883	199,182	529,204	62,595	6,572,719
1893	626,208	2,570,820	212,828	17,751,107
1903	1,561,070	7,283,158	493,721	37,587,552
1913	4,169,660	22,252,724	1,396,445	87,392,027
1923	13,448,769	59,727,388	5,369,743	269,982,566

HUME CRONYN, President. CHARLES RUBY, General Mgr.

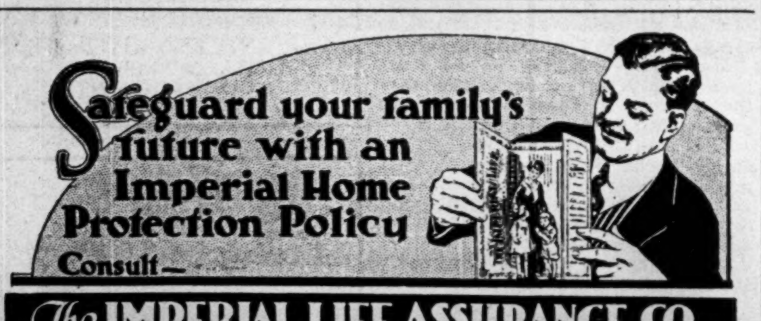
The Independent Order of Foresters
Organized 1874
TOTAL BENEFITS
Paid to Members and their Beneficiaries
$81,000,000.00
Policies Issued from $1,000 to $5,000
G. E. BAILEY, Secretary — W. H. HUNTER, President — G. R. COTTRELLE, Treasurer

An Easy Mind

is more to a man than an empire's wealth without it, and there isn't one operating on 'change who doesn't realize the fact. In the midst of your speculative ups and downs, are you not at times in a whirl of anxiety? A Great-West Life policy locked up in your strong box practically guarantees an easy mind all day and a cool pillow at night.

The Great-West Life Assurance Company
Dept. G Head Office: Winnipeg

THE MONARCH LIFE
IS A
GOOD COMPANY
Offices: Toronto, Winnipeg, Regina, Saskatoon, Calgary, Edmonton, Vancouver, Victoria.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OF CANADA
HEAD OFFICE TORONTO

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Over 100 per cent. solvent, Government endorsation. Five plans for protection. Meets the wants of all.
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2. Twenty year pay life.
3. Endowment at sixty-five years.
4. A fine juvenile department.
5. A grand Sick and Funeral Benefit.
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W. F. CAMPBELL, Grand Organizer, Hamilton, Ont.
W. F. MONTAGUE, Grand Recorder-Treas., Hamilton.

CPTCo

It's too much to ask of any friend

that he should undertake the burden of Executorship.

First, there's the drain upon his time. These unaccustomed duties use up far more than their due share of the twenty-four hours.

Second, there's the strain of worry and anxiety. He wants to do the best he can for you, and many times he doesn't know what is the best.

As far as results go, his earnest best is so often only a second-best.

If he must sell assets, will he know how to sell them profitably? If he must make new investments, can his judgement be surely trusted?

The Canada Permanent Trust is definitely organized and equipped for exactly the sort of work that is a tax and burden upon your friend.

When you appoint this Company as your Executor, you both spare your friend, and assure your family a sure and liberal income from your estate.

THE CANADA PERMANENT TRUST Co.
Paid-up Capital One Million Dollars
Toronto Street, Toronto.
Manager Ontario Branch - A. E. HESSIN

$500 for $381.20

$381.20 invested now will yield a certain profit of $118.80 at the end of five years. On larger or smaller investments the return is in the same proportion. The security is an Accumulative Debenture of the Canada Permanent Mortgage Corporation, Canada's premier mortgage corporation, which has assets exceeding Forty-three Million Dollars.

Many people are saving for the future by investing regularly in these Bonds. Combining, as they do, absolute security with an attractive return, they should be included among the investments of all who have amounts on which they are prepared to allow the interest to accumulate.

Please write or call for full information about "Canada Permanent" Accumulative Bonds.

Canada Permanent Mortgage Corporation
ESTABLISHED 1855. 14-18 TORONTO STREET, TORONTO.

INSURANCE FOR BUYER AND SELLER

NORTHWESTERN LIFE WINDING-UP MAY BE AVOIDED

Rumor That Present Shareholders Have Subscribed $50,000

Attention in insurance circles is directed to the winding up of the Northwestern Life Assurance Company at Winnipeg. An order for winding up the company's affairs was made by Mr. Justice MacDonald last week on an application presented by James O. Turnbull, secretary-treasurer, on behalf of the shareholders. The whole matter was considered at the annual meeting and this action followed.

There are in all approximately 1,800 shareholders. It is stated that the paid-up capital of $196,591 has been wiped out. An effort is being made by the representatives of the shareholders to secure protection for all policyholders through an arrangement with another company. The amount of policies outstanding is stated to be $7,000,000.

The announcement came as a surprise in some quarters. While it has been known that the company was meeting with some difficulties, there was no intimation in the last report of the Manitoba Superintendent of Insurance that the affairs of the company were so impaired. The report gave the assets as $1,019,053 and the liabilities, exclusive of paid-up capital as $813,317, leaving a surplus of over and above the capital of $184,805, of $20,931.

Criticize Inspection

The failure of the Provincial Department of Insurance to supervise the company's operations more closely has given rise to severe criticism in some quarters. Some officials of the company have been connected with other questionable enterprises one being the Northwestern Trust Company, which is now in liquidation. In view of the effective inspection of all companies operating under the Dominion Department of Insurance which write over 95 per cent. of the business in Canada, and similar systems in some provinces, it is regrettable that the affairs of this company have been allowed to fall into their present condition.

May Buy Business

S. C. Tweed and A. J. Huenergard president and actuary of the Ontario Equitable Life & Accident Insurance Company, are in Winnipeg going over the affairs of the defunct company with a view to making an offer for the business. It is stated that some other companies are interested, but others state they would be unwilling to consider taking the business on any basis, as it had a large volume of sub-standard business on its books It has followed the practice of accepting people for insurance who were previously refused by other companies.

Suggest Reorganization

On the other hand, shareholders are making efforts to save the company from ultimate failure. It is rumored that they have subscribed $50,000 new capital, and there is talk of a reorganization under new management, with prominent Winnipeg people as directors.

CLAIMS ALBERTA TAX RECOVERY ACT UNFAIR

Mortgage Association Challenges Statements of Attorney-General on Amount

From Our Own Correspondent.

CALGARY.—A statement issued by the Alberta Mortgage Loan Association criticizes the statements made by Hon. J. E. Brownlee, attorney-general, in connection with the recently enacted Tax Recovery Act. It says in part:

"Absolutely no notice is given under the act, nor was it ever the intention of the government, as admitted by the deputy minister, that any notice should have been given to any encumbrances on the land being confiscated for non-payment of taxes. In no province in the Dominion of Canada are such autocratic methods used to enforce payment of taxes.

"The act has the effect of causing the taxing authorities to neglect the method of collecting taxes usually adopted in every other province and to rely on the confiscation of the land alone. The tax enforcements acts of Alberta have never been satisfactory to anyone and mortgagees, along with other interests, have complained of the inadequacy of the acts for the past ten years."

The statement also challenges the attorney-gereral, in connection with his assertion, that of the total amount of arrears of taxes of $1,253,073 collected in municipal districts in 1923, the mortgage companies paid only $173,000. The association states that two companies alone during 1923 paid to municipal districts for arrears of taxes a sum in excess of $225,000. This would not include 1923 taxes, as it was not compulsory to pay current taxes to prevent the properties passing to the municipalities. The association adds that twenty or more member companies would have paid proportionate amounts, and that the total paid would run into more than a million dollars.

BIG APPLE CROP PREDICTED

FREDERICTON.—The largest crop of fall and early winter apples in the history of the province for 1924, was predicted in the annual report of the Provincial Horticulturalist. The expectation is based in light of the yield of 1923, together with the favorable conditions of the present winter and the fact that additional young trees will come into yield during the season of 1924.

Use Profit to Write Down Value of Bonds

The ruling of the Superintendent of Insurance, commented on in THE FINANCIAL POST recently, indicates the desire of the department to ensure that the statements of the companies indicate their true position. No objection is taken to a profit on the sale of securities being used to write down securities taken in exchange so long as the transaction is shown in the company's statement. Thus the amount written down should be shown in the disbursements as profit applied in that way.

NEW BUSINESS IS GOOD BUT LAPSES ARE STILL HEAVY

Companies Lose When the Policy is Dropped in Early Years

A moderate improvement in life insurance sales is reported by most companies in Canada this year to date. According to the Life Sales Research Bureau, the sales for February by companies which had in force over eighty-three per cent. of the total in Canada, report an actual volume for February of $30,704,000 as compared with $25,409,000 in February, 1923—an increase of 21 per cent.

The increases ranged from 3 per cent. for Prince Edward Island, to 31 per cent. for Quebec, while Manitoba was the only province showing a decrease.

The companies are trying to consolidate their position by putting forth strenuous efforts to reduce lapses.

The effects of the depression since 1920 are still being felt. The statements of companies published since the beginning of the year show a high proportion of policy loans. While the security behind these, of course, is undoubted, they present a danger, because a loan is often the first step in a lapse.

Lapses Cause Loss

The demand of T. L. Church, M. P. at Ottawa, for a special investigation of life insurance in Canada by a parliamentary committee is not taken seriously by company officials. His claim that in 1922 $288,000,000 had gone back to the companies by reason of lapsed or surrendered policies, instead of which the companies should have received merely a reasonable commission for handling the policies, shows, they say, a complete lack of knowledge of the facts. The companies suffer heavy losses through the termination of policies These are greatest in the first three policy years. When a policy is placed the commission paid to the agent, the work involved in issuing the policy and the reserve, which must be put aside according to the government standard, leave the company with an actual loss on its books. This is seldom completely made up in three years. If any investigation can find a way to reduce lapses it will be welcome to companies and agents alike.

Appoint C. H. Carpenter Head of National Life

It is announced that C. H. Carpenter has been appointed general manager of the National Life Assurance Company, and he will take up his new duties April 1. Mr. Carpenter has had wide experience in the life insurance field, latterly as eastern superintendent of the Great West Life Assurance Company, with his headquarters in Toronto. With his successful experience in organizing it is expected that further expansion of the company will be rapid.

TRY TO EXEMPT LIFE PREMIUMS FROM TAX

Petition is Being Circulated by Life Underwriters; Want Half Million Signatures

A petition is being prepared under the direction of the Life Underwriters' Association of Canada, calling on the Dominion Parliament to amend the income tax law so that taxpayers may deduct from their income up to one-sixth when that amount is paid for premiums on personal insurance. It is hoped that half a million signatures will be secured by circulating the petition through Boards of Trade, manufacturers' Associations, banks, clubs and other organizations.

It is pointed out that a similar exemption has been allowed in Great Britain for many years. The demand is based on the claim that it is recognized that life assurance is a safe and sane method for men to accumulate an estate to provide for their maintenance for their old age, thus saving them from becoming dependents on their relatives or on public charities, at the same time providing a fund in case of their death for the upkeep and sustenance of their widows, orphans, or other dependents, thus saving these latter from becoming charges upon the public—providing them with food, clothing, shelter and education, and enabling them to become valuable and self-respecting citizens of our Dominion; and the neglect of the father to insure his life adequately has, in innumerable instances, led to his family becoming public charges and, in many cases, as poverty is frequently the mother of crime, becoming members of the criminal classes from their earliest years.

HOLDS EXECUTORS RESPONSIBLE FOR DROPPING POLICY

Fire Insurance Must Be Kept in Force, Rules Court

The extent to which those holding property in trust are liable for losses resulting from failure to keep fire insurance in force, has been revealed by Judge Vance at Barrie, Ont. This point of law was definitely decided in the judgment given against two executors of an estate, John May and Hance A. Lyons, holding them personally liable to the extent of the expired policy.

The facts of the case were that Samuel Gamble, who died in 1917, owned a farm of 230 acres, well equipped, the total value of the property being estimated at approximately $14,000. May and A. Lyons were appointed executors. On September 28, 1922, the barns were destroyed by fire with no insurance. The estate had been left with a life interest to the wife of deceased, and the remainder to three infant children.

No objections were raised at the time and the executors had the barns rebuilt at a cost of $4,000. When the latter submitted their accounts in the Surrogate Court, exception was taken to this charge on the grounds that the executors had been negligent. Knowing that the fire insurance policy should have been renewed in July, 1919, they allowed it to lapse, resulting in a loss through the fire three years later.

The Court decided that the executors should bear the loss due to their negligence. The expired policy was for $2,100. As one small building was not burned, the net loss under the policy was placed at $1,800.

In view of this decision it is considered that executors or trustees of any sort may be held liable for losses caused not only by letting policies lapse, but also through failure to comply with any other conditions respecting policies which may cause a loss, if it is done negligently. Thus in cases where co-insurance clauses are in force it would seem that the trustee is expected to keep closely in touch with the property and cover it with adequate insurance.

There are also other mistakes which may cause a loss under policies, one of which is illustrated by the action of Mr. Justice Orde at St. Catharines, Ont. recently. This was an action brought by C. Moffa against the Law Union and Rock Insurance Company for $1,600 on a brick dwelling house in St. Catharines and $1,000 on the contents. In dismissing the action with costs the Judge said:

"The plaintiff's action fails on two grounds: The house was insured 'only while occupied as a private dwelling.' In the present case, by reason, of plaintiff's departure from the house with his family, and his occupation of a new residence in Windsor for more than five weeks, during which no one was living in the house, the house had ceased to be occupied as a private dwelling. The insurance, therefore, had ceased to attach at the time of the fire. And, I think, this insurance, also, had ceased to attach upon the contents. The other ground is that the plaintiff's statements in his statutory declaration, accompanying his proofs of loss, vitiated his claim, in accordance with the 20th statutory condition."

This point is worthy of special note by trustees. Clauses of this sort frequently exist and when the property is transferred to an executor or trustee, it is often rented, involving periods of vacancy and other extra hazards.

Sun Life Assets Are Widely Distributed

The Sun Life Assurance Company of Canada has issued a special schedule outlining its assets in detail. The largest single item consists of government bonds totalling $40,940,354. Then come bonds and stocks of public utility companies amounting to $37,274,072; policy loans, $28,203,432; bonds and stocks of industrial companies, $25,631,593; municipal bonds, $20,694,692, and mortgages on real estate of $16,503,764. The balance is made up of railroad, navigation, telephone, cable, and trust companies' stocks and bank stocks, real estate bonds, real estate owned, collateral loans, non-forfeiture indebtedness under insurace policies, cash in banks and balances.

The list indicates the wide sphere in which this and other insurance companies provide capital for the development of business and government enterprises.

IMPERIAL LIFE BUILDS

Work has been begun by the Imperial Life Assurance Company on an eight story addition to its head office building in Toronto. The expansion of the company's business over the $150,000,000 mark has made this necessary.

Taking over the business conducted by the trustee department of Oscar Hudson & Co., the firm of Moffat, Hudson & Co., has been formed. This company will act as trustee in any capacity, also as liquidators and administrators, and especially as trustees in bankruptcy.

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C. P. R. Bldg.,
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CANADA NATIONAL FIRE INSURANCE COMPANY
HEAD OFFICE: WINNIPEG, CANADA
TOTAL ASSETS $2,928,337.62
TORONTO, 24 Adelaide St. W.
W. H. George, Superintendent of Agencies

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British America Assurance Co. (Incorporated 1833)
British Empire Underwriters Agency
St. Lawrence Underwriters Agency
Western Assurance Company (Incorporated 1851)
Head Offices: 22 Wellington St., East, Toronto
INLAND TRANSPORTATION
RIOTS and STRIKES EXPLOSION

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WESTERN EMPIRE
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The Northwestern, although the youngest, was second to construct its own home office building.
NORTHWESTERN LIFE
NORTHWESTERN BLDG. WINNIPEG, MAN.

CANADIAN PACIFIC PLANNING FURTHER RAIL EXTENSIONS

And Millions Will be Spent On Other Capital Accounts

THE 1923 REPORT

Repayment of $52,000,000 of Note Obligations Alters Face of Balance Sheet

From Our Own Correspondent.

MONTREAL. — Canadian Pacific Railway is ever expanding and in presenting the annual report for 1923 the president, E. W. Beatty, points out that the further extensions and improvements will be proceeded with this year. This will necessitate the issuance of further amounts of the company's 4 per cent. debenture stock.

Mr. Beatty says: "The inspection made in September of last year by members of the board enables them to assure you that never in the history of the company has the physical condition of the property been so excellent as it is now. It was largely due to this circumstance that your company was able to handle expeditiously a large proportion of the exceptionally heavy grain crop moved during the latter part of the year." Nevertheless the president adds: "Owing to the magnitude of your system, continuous expenditures on capital account will always be necessary if it is to keep pace with the growing transportation requirements of the country."

The Expenditures Planned

Capital expenditures of about $6,770,000 are planned for the present year. In addition there will be new extensions to the lines to provide additional facilities in Alberta and Saskatchewan. Last year 347 miles of new rails were laid, and this year other new lines will be started, to be financed by the issuance of new debenture stocks.

Despite extensions to the system during the past year, the total assets of the C. P. R. have declined, and now stand at $1,080,900,000 as against $1,127,000,000 at the end of 1922. The change is not as significant as the amount might suggest, and is due to the redemption by the company of $52,000,000 of note certificates that matured during the year. To meet the certificates investments and cash were utilized, reducing both assets and liabilities by over $50,000,000 as no new notes or bonds were issued in lieu of the notes paid off. Payment of this issue of note certificates improves the company's position in more ways than one. Deferred payments on lands and townsites had been allocated a protection for the notes. These payments, totalling $62,000,000 are now released for general company purposes as collections are made.

New Securities Issued

The annual report indicates some enlargement in the amount of the company's securities outstanding. During 1923 $5,000,000 of the 4 per cent. consolidated debenture stocks was sold in New York and $208,565 was sold in London. Of the preference stocks $2,600,000 was sold in London.

Reporting on the operations of the company's ocean steamships during the year, the president says:

"The Canadian Pacific Steamships, Limited, have in 1923 continued to show improvement in service and in revenues, although many factors which militate against satisfactory operating results yet prevail. The world's ocean tonnage still exceeds trade requirements and financial conditions in Europe and labour unrest in Great Britain have had an adverse effect on steamship traffic. The various steamship companies, including those operating ships of government ownership, have worked in greater harmony with the result that rates have been on a more stable basis, though still unsatisfactory from an earnings point of view, being less than in 1922 and on some commodities below the cost of transportation. This situation, however, is undergoing a gradual improvement.

"The steamships of the Atlantic service show in comparison with the previous year an increase in gross earnings of $400,000 and a decrease in operating expenses of $320,000.

"The vessels of your fleet operated on the Pacific by the Canadian Pacific Steamships, Limited, show an increase in gross earnings of $158,000 and a decrease in operating expenses of $425,000.

"In common with the Atlantic fleet the operations of your Pacific steamers have suffered through excessive competition, and unfortunately there has been but little change for the better in the political and commercial conditions existing in China.

"While the prospects of a considerable improvement in business with Japan were encouraging during the first part of the year, these were in a measure dispelled—temporarily, it is hoped—by the earthquake which occurred on September 1st and resulted in great loss of life and damage to property."

Where Stock is Held

Mr. Beatty again gives some interesting figures of the distribution of C. P. R. stock. This was as follows at February 1st of this year:

United Kingdom	50.73%
Canada	21.14%
United States	20.69%
France	2.95%
Other holdings	4.49%

The profit and loss account of the company had already been given out prior to the statement. It shows gross earnings of $195,837,090, and working expenses of $158,358,080. This represents an operating expense ratio of 80.86 per cent., an increase from the 1922 figure of 80.55 per cent. The increase in expenses is accounted for largely by the increased cost of conducting transportation and of maintenance of way and equipment.

Lewis B. McFarlane Rescued Dr. Bell's Letter From Fire

Company acquired the Bell patents, McFarlane was put in charge of the telephone end of the system.

"What are my duties?" he asked Mr. Swinyard, the general manager.

"How the devil do I know," thundered the G. M. "Go and find out."

So McFarlane proceeded to find out what his duties were. He met with almost insurmountable obstacles; public ridicule of the telephone, an aversion to wasting money on it, competition from pirates. He found two men who were willing to buy a telephone so that they could play chess with each other without leaving their own homes.

There was weird competition. Men were going around selling sound-box or acoustic telephones made out of cigar boxes connected with piano wire. In many towns where McFarlane attempted to establish telephone systems he found that competitors, who had stolen the patents were already doing business, and users could only with difficulty be convinced that these were frauds.

Competition Was Keen

The two telegraph companies fought each other. In one town, one company canvassed for two weeks and got only one subscriber, and as he could not talk to himself the canvass had to be abandoned. The other company came to the same town and offered three months' free service. This brought back the first company again and they got the jump on their competitor by expressing a complete telephone exchange outfit and installing it free of charge before the other company could implement its promise. But later, when rates were charged, the telephone had so proven its usefulness that none of the subscribers dropped the service. Rates were low; from $15 to $25 a year, but, of course, there were only a few other telephones to be connected with, whereas to-day the subscriber can talk to millions all over the continent.

Such a condition of cut-throat competition and haphazard development could not continue. In the United States, a Boston insurance man had proceeded to form telegraph companies along national lines. His Canadian insurance agent was the late C. F. Sise, and he chose Sise to form the Bell Telephone Company of Canada.

Sise brought McFarlane to Montreal and made him manager of the Eastern division of the Bell Telephone Company. In its forty-three years of history the Bell Telephone Company has had Lewis B. McFarlane as one of its strongest arms of service. Mr. McFarlane assisted Sise to buy out all the small companies, and the telephone systems of the telegraph companies, for inclusion in the Bell Telephone service. McFarlane also went out selling stock or trying to sell it, but practically everywhere he went he found people unwilling to throw away their hard-earned savings on the stock of the Bell Telephone Company.

Montreal's First Exchange

Lewis McFarlane gave Montreal its first telephone exchange. It was a primitive station with fifty-six subscribers, and in a room 12 feet by 14 feet. Now Montreal has more than 100,000 subscribers. McFarlane went to New York to buy the switchboard for the Montreal office. He went to an electrical firm. They did not know anything about telephone switchboards, but said that one of their workmen had sketched out a plan for a switchboard. McFarlane walked out to the shop and looked it over. He studied at the scale of the drawing. Everything appeared to be right. McFarlane was a pioneer and did not know anything about switchboards beyond what he guessed would be correct. He left the order and came back to Montreal.

When the switchboard arrived, McFarlane found that the scale on the plan, which he assumed was in inches, had really been in feet. The switchboard was a ponderous, elongated, apparatus. No building in Montreal would have housed it. It was cut into three parts. One part was bent into a circle and used in Montreal, and the other two parts formed the first exchange switchboards in Halifax and Quebec.

Long Distance Lines Built

Local exchanges were rapidly built, Mr. McFarlane having charge of the work in all Eastern Canada. But there was still danger of demoralizing competition springing up during the period of advancement and construction. Sise and McFarlane sought the advice of Theodore N. Vail, builder of the American Telegraph and Telephone Company, and then a director of the young Bell Company of Canada. Vail called for a map of Quebec and Ontario and with a blue pencil drew lines from Montreal to various Canadian cities and towns within a radius of 300 miles. McFarlane gasped, for his longest line was about 20 miles. Vail went on: "Build long-distance lines to at once connect with all the exchanges in this territory. They may not pay, but they will consolidate and unify your territory." The lines built as a result of Vail's foresight served the purpose of so unifying the Bell system that competition became negligible. To-day, the long distance lines are one of the best-paying elements in the Bell system.

In 1906, Mr. McFarlane became general manager of the Bell Telephone Company, which he had helped to build from a company that had a few scattered telephones with a revenue of less than $30,000 in its first year to a company with 30,000 telephones and a revenue of $3,500,000 in 1906. Under Mr. McFarlane, the company has made even more amazing strides since, having half a million telephones and revenues of nearly $25,000,000 annually.

Has Built Up Company

In 1911, Mr. McFarlane assumed the title of managing director, and in 1915 became president of the company for which he had been so largely responsible.

Mr. McFarlane must be counted as to a very great extent responsible for the high esteem in which the Bell Telephone Company is held by its subscribers, by the general public and by its shareholders. He has from the beginning of his active control of its affairs adopted the policy of taking the public behind the scenes. This has been done literally as well as figuratively, for every winter subscribers are permitted to go into the telephone exchanges to see what happens in the great link between themselves and the party at the other end of the line. The company has gone further, and has taken the mysteries out of telephony by demonstrations at fairs and meetings and through its advertising.

Most big executives are either financial geniuses, masters at handling men, or keen students of the technical details of their business. Mr. McFarlane is not one of these alone, but he combines in rare fashion something of each of the qualities. He has an intimate understanding of the purely mechanical details of telephony and has effected a number of improvements of his own invention. He has kept the company ever to the front in the adoption of new and modern equipment, and takes a pride in the rapidly-growing junk pile of discarded ideas and apparatuses that the company has left behind. His forcefulness in bringing the automatic telephone to the front is indicative of his willingness to adopt the new for the old, when the old has served its best purpose.

Has Distributed Stocks Widely

Mr. McFarlane is a man of considerable financial and analytical ability. The company has over 10,000 shareholders, and almost half of the employees, or about 5,000 in all, are holders of stock in the company. This wide distribution of stock, and the working out of the partnership worker plan, have been carried out under Lewis B. McFarlane.

Other instances of his broad humanitarian instincts that work along business lines are the pension scheme of the company, the wonderful working conditions in the offices and exchanges, and the bright and cheery employees' magazine. Mr. McFarlane has made of the Bell Telephone's group of 12,000 workers a great family. Every one of them is devoted t his work, and the company that employs him.

Modest But Approachable

All of these factors are evidences of a man of real executive ability, and that is Mr. McFarlane. He is modest and retiring; so much so that his name and his achievements are known to few Canadians. Yet he is one of our big and important business men, and a real builder for Canada. No man is more approachable. His office door is always open to the visitor with a message. His desk is always clear of work, for every detail is routed through an organization that is trained to work efficiently, and thus work never accumulates, either on the president's desk or at the end of the line of responsibility.

There is one feature of the Bell Telephone Company's internal workings under Mr. McFarlane that will be of interest to other executives. The young man is always being pushed up and to the fore. If an interview is to be given to the press, it is never the president who gives it, but the local manager; if an announcement is to be made, head office does not take the glory of it, but one of the rising junior men. Thus there is reward as well as incentive to every man in the organization, if any further reward were needed than working for Lewis B. McFarlane, or any further incentive than the lesson of his amazing rise to success from telephone pioneer to telephone president.

THE CARE OF YOUR SECURITIES

MANY PERSONS deposit their securities with this Corporation for safe-keeping and collection of revenue. In our Safe Deposit Vaults these securities are fully protected against loss by fire and burglary. We collect interest and dividends and detach coupons on the due dates and place the proceeds to the credit of our clients in their Bank account. This service is a very valuable one for persons whose property consists mainly of stocks and bonds. It leaves them free to come and go without concern as to their fortune. We shall be glad to quote rates on this class of business on request.

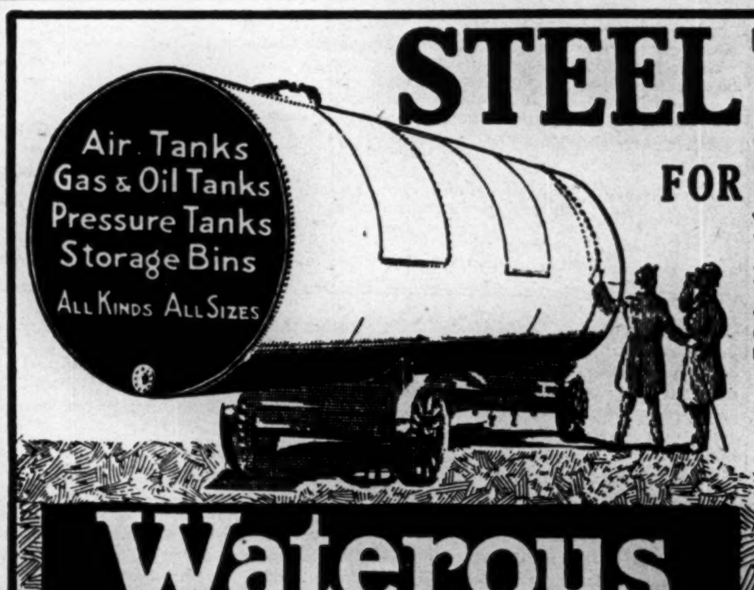
The TORONTO GENERAL TRUSTS CORPORATION
EXECUTOR, TRUSTEE, FINANCIAL AGENT
HEAD OFFICE - Bay & Melinda Streets - TORONTO
Branches: Ottawa, Winnipeg, Saskatoon, Vancouver

ANOTHER DOUKHOBOR CANNERY

NELSON.—The Doukhobor community will erect an extensive cannery at Grand Forks. It is expected to have the new plant in operation in the fall. At the present time the community operates a large cannery as well as a jam factory at Brilliant.

CANADIAN PACIFIC

C. P. R. is made up of many small railway lines owned or controlled. But the C.P.R. owns important interests outside of railroading, chief of these is its ownership of 177,025 shares of Consolidated Mining and Smelting stock, and $2,698,400 of "Smelters" bonds.



STEEL TANKS
WELDED OR RIVETED
FOR EVERY SERVICE
We Also Build
Boilers, Hand Stokers
Pulp Mill Machinery
Saw Mill Machinery
Road Rollers and
Steam Scarifiers
Write for full particulars
14
Waterous
BRANTFORD, ONTARIO, CANADA

CANADIAN GENERAL ELECTRIC COMPANY, LIMITED

DIRECTORS:

A. E. DYMENT, President.
STEPHEN HAAS, Vice-President.
J. J. ASHWORTH, General Manager.
GEORGE W. BEARDMORE, H. C. COX, SIR HERBERT HOLT, HON. SIR JAMES LOUGHEED, K.C.M.G.,
W. L. MATTHEWS, F. GORDON OSLER, E. G. PATTERSON, SIR WILLIAM PRICE, W. G. ROSS, W. D. ROSS, A. M. STEWART, K.C.

J. A. BREMNER, Assistant General Manager.
A. E. GUEST, Treasurer.
W. H. NESBITT, Secretary

ANNUAL REPORT OF THE DIRECTORS

Submitted to the Shareholders at the Annual General Meeting of the Company in Toronto, on Wednesday, March 26, 1924.

Your Directors submit herewith to the Shareholders the Balance Sheet of the Company as upon the 31st day of December, 1923, the combined statement of Profit and Loss for the year, and the certificate of Messrs. Price, Waterhouse & Company, Chartered Accountants.

In our last Annual Report mention was made of increasing activity during the last three months of that year and of a marked improvement in volume of orders received immediately after its close, which indicated that the results of the year 1923 would be more satisfactory.

The situation developed along the lines expected, and our bookings for the year under review were very much larger than they were for 1922, in fact, the largest in the Company's history with the exception of 1920, but this increase in business secured has not as yet been entirely reflected in our Profit and Loss Account. In the electrical industry, owing to the length of time required to fabricate the heavy machinery and equipment for the large power developments, it is frequently many months, in some instances one to two years, before the profits accruing from such contracts can be taken into account and appear in the Balance Sheet, consequently, the current year will benefit by the large volume of business carried over from 1923; but owing to the abnormal cost of doing business in this country, and with the keen competition that there is in the electrical industry, the percentage of profit is not what it should be, considering the technical knowledge and large capital required.

The Profit and Loss statement now submitted shows a profit of $1,482,234.42 earned, from which is deducted a provision of $400,000.00 for depreciation of plants, and the sum of $404,151.55 for interest charges, leaving a net profit of $678,082.87, which has been carried to the credit of Surplus and Profit and Loss Account, making a total credit of $7,498,494.10. Dividends at the rate of 6% per annum on the Common Stock and 7% per annum on the Preference Stock have been paid to the amount of $787,985.00, and in addition, a dividend of 1¾%, amounting to $35,000.00, was paid on the Preference Stock for the three months ending December 31st, 1923, when this stock was redeemed, which would not have been paid until April 1st, 1924, except for the stock transaction with the General Electric Company making it necessary to bring the preference dividend up to the date of its retirement.

Following our usual custom, the inventory has been taken into the Balance Sheet on a safe basis, namely, at cost or market value, whichever was at the time the lower, and sufficient provision has been made to take care of possible losses in our accounts receivable, which I may say have never been as satisfactory as they are to-day.

The Shareholders are familiar with the negotiations which have been successfully concluded by which the General Electric Company has secured a controlling interest in the common stock of the Company. The plan devised, under which an offer was made by that Company to the holders of the common shares and recommended for acceptance by your Directors, was well received by them, and evidently considered very satisfactory, as it was accepted by the holders of over 90% of the outstanding common shares of the Company. Your Directors believe that this change in control will bring about a more intimate and effective co-operation between the two organizations, securing as it will, the full support of the great engineering and commercial forces of the General Electric Company, to the material benefit of your Company's operations.

In this connection it is proper for me at this time to say that having in mind the possible expansion of the electrical industry in Canada and the necessity of extending our manufacturing facilities, it is probable that for some time it will be prudent for us to conserve our cash resources and to use our surplus earnings after the payment of dividends on the Preferred Stock to provide for such extensions rather than for the payment of dividends on the Common Stock of the Company.

It is with pleasure that I express my appreciation of the hearty co-operation of the Board of Directors and of the valuable services rendered by the officers and employees of the Company during the year.

On behalf of the Directors, I beg to move that the Balance Sheet as at 31st December, 1923, and the Consolidated Surplus Account as certified to by the Auditors, and the Report of the Directors to the Shareholders be and are hereby received and adopted.

A. E. DYMENT, President.

CONSOLIDATED BALANCE SHEET, 31st DECEMBER, 1923

ASSETS.

Capital Assets—		
Land, Buildings, etc., at Toronto, Peterboro, Bridgeburg, Stratford, Montreal, Branch Offices and Power Plant at Nassau		$12,024,728.29
Machinery and Tools		7,973,231.99
Patterns and Drawings		1,131,124.57
Patents, Contracts and Goodwill		1.00
Total Capital Assets		$21,129,085.85
Current Assets—		
Inventory of Raw Materials, Supplies, Work in Progress and Finished Materials, including expenditures on Contracts (less collections on account)	$7,148,390.95	
Accounts Receivable (less Reserve for Doubtful Accounts)	4,486,524.44	
Mortgages Receivable	75,000.00	
Investments	654,774.71	
Cash on hand and in Banks	429,445.71	
Total Current Assets		12,794,135.81
Deferred Charges—		
Balance Debenture Discount, Unexpired Insurance, etc.		342,515.69
		$34,265,737.35

LIABILITIES.

Capital Stock—		
Common—Authorized	$18,000,000.00	
Common—Issued		$12,800,000.00
Twenty Year 6% Gold Debentures—		
Authorized	$10,000,000.00	
Issued		5,000,000.00
Mortgage obligations on Properties Purchased		56,250.00
Deferred and Contingent Liabilities		374,332.04
Current Accounts and Bills Payable		3,790,263.97
Dividend on Common Stock Accrued, Paid January 1st, 1924		161,998.50
Reserve for Depreciation		5,453,123.98
Surplus per Account Annexed		6,629,768.86
		$34,265,737.35

CONSOLIDATED SURPLUS ACCOUNT

Profit for the year ended December 31st, 1923, before providing for Depreciation and Interest charges		$1,482,234.42
Less—		
Depreciation	$400,000.00	
Interest and Exchange	404,151.55	804,151.55
Net Profit for the Year		$678,082.87
Add—		
Surplus as at December 31st, 1922		6,820,411.23
		$7,498,494.10
DEDUCT—		
Dividends paid:		
3½% on $2,000,000.00 Preferred Stock on 31st March and 30th September	$140,000.00	
1¾% on $2,000,000.00 Preferred Stock at time of retirement December 31st, 1923.	35,000.00	
6% on $10,800,000.00 of Common Stock	647,985.00	
	$822,985.00	
Investments Written Off	45,740.24	868,725.24
Surplus per Balance Sheet		$6,629,768.86

A. E. DYMENT, President.
STEPHEN HAAS, Vice-President.

With our Report to the Shareholders dated 7th March, 1924, appended hereto.
PRICE, WATERHOUSE & CO., Auditors.

ALBERTA EXPECTS COAL MINERS TO STRIKE MONDAY

Operators Want Lower Costs to Compete With Non-Union Mines

HITS DRUMHELLER

Have Been Making Strong Bid for Share of the Ontario Domestic Trade

From Our Own Correspondent.

CALGARY.—Coal operators and miners of Alberta and north-eastern British Columbia have halted negotiations for a new wage contract. As matters now stand there will be a strike March 31. If the break comes the struggle will be the most bitter ever fought in Alberta, or what is known as District 18. Western Canada coal operators must cut down costs if they are to remain in the industry in competition with the large number of non-union mines whose wage scale is several dollars a day per man less than they have been paying.

The actual rupture was brought about over the operators' proposal of a reduction of $1.17 a day in the wages of all employes. The miners demanded that the existing scale be continued three years.

No Longer Justified

The operators take the ground that the continued payment of war-time wages is no longer justified, that the $1.17 a day is a war or high-cost-of-living bonus, the reason for which has disappeared, that the reduced wages will average $3 per day per employee over pre-war wages, and that the reduction will enable them to meet local and foreign competition, extend their markets, and give their men more steady employment. The miners rest their case on the fact that their central organization in the Uinted States has recently concluded an agreement on terms and for a period similar to that which they propose here.

From the commencement of negotiations it was made clear by the miners' officials here that they intended firmly to enforce their demands for at least a renewal of the present contract for a three-year period. They also stood firm in their demand for the adjustment of a large number of local conditions, several of which really meant increased cost of production.

Almost simultaneously with the rupture came the sanction for the appointment of a provincial commission to investigate the coal industry. Which of these two events will cause the public most concern is a question. Both strikes and commissions are expensive. It took two years and cost the people of the United States a million dollars to ascertain the views of the Federal Coal Commission, which, when published, did not benefit the consumer in the slightest degree.

The impending strike is not causing the public here any alarm. The non-union mines, it is common knowledge, could more than supply actual domestic requirements and the railway companies have large stocks of steam coal on hand. As a matter of fact the Canadian National Railways in the west get the bulk of their supply from what are known as the "strip" colleries in the northern part of the province which are among the non-union mines.

The worst feature of the situation, so far as the domestic mines are concerned, is the fact that Drumheller operators, who have been so keen about securing the Ontario market, will now be put entirely out of court in any further effort towards that end, and undoubtedly that fact has been one of the main reasons for the provincial government agreeing so readily to an investigation into the coal mining industry of Alberta.

Strike Order Poster

LETHBRIDGE.—Miners of District 18 are prepared to continue the strike, due to commence April 1, for three years, says Alex Robertson, secretary of the local union. The men are anticipating a long and bitter fight. About 1,200 men will be affected. Strike orders have been posted in all the camps. "No surrender," is the cry here.

A Sugar Beet Plant for Southern Alberta

From Our Own Correspondent.

CALGARY.—It is possible that the Utah-Idaho Sugar Company, one of the largest concerns of its sort in the States, may erect a plant in Southern Alberta within the near future. Recently, a number of meetings have been held by the provincial department of agriculture which have been well attended by farmers, and considerable enthusiasm has been aroused in the irrigated districts.

In Albérta, 92 pounds of sugar per capita per year are consumed, and taking the population at 600,000, this represents 55,000,000 pounds per annum, or the product of 18,000 tons of sugar beets, so it is argued there would be a large home market for the finished product.

It is stated that if the Utah-Idaho Sugar Company can get farmers of the province to devote a total of 6,000 acres to beet production, a factory will be built.

BIG POTATO EXPORTS

ST. JOHN.—Since last September, 30 steamers have sailed from St. John with potato cargoes carrying away about 340,000 sacks of three bushels each. Since the 1923 crop was taken from the ground nearly three quarters of a million dollars have been received by the potato growers of New Brunswick from the Havana shipments alone.

CANADIAN PACIFIC RAILWAY COMPANY

FORTY-THIRD ANNUAL REPORT of the Directors of the Canadian Pacific Railway Company. Year ended Dec. 31st, 1923

To the Shareholders:

The accounts of the Company for the year ended December 31st, 1923, show the following results:

Gross Earnings		$195,837,089.61
Working Expenses (including all taxes)		158,358,079.54
Net earnings		$ 37,479,010.07
Deduct Fixed Charges		13,470,653.14
Surplus		$ 24,008,356.93
Contribution to Pension Fund		500,000.00
		$ 23,508,356.93
From this there has been charged a half-yearly dividend on Preference Stock of 2 per cent., paid October 1st., 1923	$ 1,808,305.09	
And three quarterly dividends on Ordinary Stock of 1¾ per cent. each, paid June 30th, 1923, October 1st, 1923, and December 31st, 1923	13,650,000.00	
		15,458,305.09
		$ 8,050,051.84
From this there has been declared a second half-yearly dividend on Preference Stock of 2 per cent. payable April 1st, 1924	$ 1,866,705.09	
And a fourth quarterly dividend on Ordinary Stock of 1¾ per cent., payable April 1st, 1924	4,550,000.00	
		6,416,705.09
Leaving net surplus for the year		$ 1,633,346.75

In addition to the above dividends on Ordinary Stock, three per cent. was paid from Special Income.

Special Income for Year Ended December 31st, 1923

Net Revenue from Investments and Available Resources, Exhibit "C"	$ 2,158,177.63
Interest on Deposits, and Interest and Dividends on Other Securities	1,545,355.05
Net Earnings Ocean and Coastal Steamship Lines	4,292,140.52
Net Earnings Commercial Telegraph and News Department, Hotels, Rentals and Miscellaneous	3,395,378.56
	$11,391,051.76
Less: Payments to Shareholders in dividends: June 30th, 1923, October 1st, 1923, and December 31st, 1923	5,850,000.00
	$ 5,541,051.76
From this a dividend has been declared payable April 1st, 1924	$ 1,950,000.00

2. The working expenses for the year, including all taxes, amount to 80.86 per cent. of the gross earnings, and the net earnings to 19.14 per cent., as compared with 80.55 per cent. and 19.45 per cent. respectively in 1922.

3. The gross earnings were greater by $9,162,000 than those of the previous year. The working expenses, however, increased by $7,984,000, leaving an increase in net operating revenue of $1,177,000. The increase in expenses is accounted for largely by the increased cost of conducting transportation and of maintenance of way and equipment, the latter in pursuance of the policy of your Directors that the property should be maintained in the highest possible state of efficiency. The inspection made in September of last year by members of the Board enables them to assure you that never in the history of the Company has the physical condition of the property been so excellent as it is now. It was largely due to this circumstance that your Company was able to handle expeditiously a large proportion of the exceptionally heavy grain crop moved during the latter part of the year. High water conditions during the Spring added substantially to maintenance costs. The operations of the Company were conducted throughout the year successfully, and, in the opinion of your Directors, the results must be regarded as highly satisfactory.

4. The sales of agricultural land in the year were 53,122 acres for $938,175.04, being an average of $17.66 per acre. Included in this area were 1,429 acres of irrigated land, which brought $58.81 per acre, so that the average price for the balance was $16.52 per acre.

The land sales, as the figures will indicate, were very moderate, due primarily to the continuance of the depression which has prevailed in the Prairie Provinces during the last three years and to the fact that few of the new settlers were in a financial position to acquire land holdings immediately upon their arrival.

In order to afford relief to the farmers located on the Company's lands in the Western Provinces, many of whom from various causes had become financially embarrassed and in arrears in payment of principal and interest, your Directors approved the alteration of outstanding land contracts to include an amortization system of payments somewhat similar to that adopted by the Federal Farm Loan Board in the United States. Under the plan adopted payments are spread over a period of 34 years and the contract provides for yearly payments of interest and a proportion of principal until the whole amount is retired at the end of the period. Under this system the Company's equity in the lands will be fully protected and the annual payments by the farmers lessened by being spread over a longer period. The same form of contract was approved for adoption in the sale of the Company's remaining unsold lands with a view to their becoming more rapidly colonized.

5. During the year your Directors sold in London £208,565 and in New York $5,000,000 of Four Per Cent. Consolidated Debenture Stock, and in London £2,600,000 of Four Per Cent. Preference Stock, the issuance of which you had previously authorized.

Owing to the magnitude of your System, continuous expenditures on capital account will always be necessary if it is to keep pace with the growing transportation requirements of the country, but your Directors have adhered to the policy of restricting the issuance of securities to the lowest amount consistent with the maintenance of the property. During the year under review the fixed charges were increased only by the modest amount of $121,747 and dividends payable on Preference Stock by the sum of $447,732.

6. As intimated in the last annual report, the Note Certificates of the Company to the amount of $52,000,000, issued in 1914 and which would have fallen due on March 2nd, 1924, were called for redemption on July 10, 1923. Note Certificates to the amount of $51,288,180 have been redeemed, leaving Certificates of a par value of $711,820 still unpresented at March 1st, 1924. Under the terms of the Trust Deed these latter do not bear interest after the date fixed for redemption. The full amount of the outstanding certificates with the accrued interest thereon has been set aside for the purpose of redeeming them as presented.

7. The balance sheet at the end of the fiscal year shows considerable change, due to the payment of the $52,000,000 of Note Certificates which necessitated the utilization of cash and the disposal of Government and other securities which were in the hands of the Trustee or reserved by the Company for the payment of the Note Certificates on maturity. The Deferred Payments on Land and Townsites, amounting to $61,865,000, are now released for the general purposes of the Company as collections are made.

8. In the annual report for the year 1921 a reference is made to the proposed construction of a new pier at Vancouver, to be known as "Pier B.C.," and an appropriation of $1,550,000 was approved by you as the first portion of the cost. By reason of the very high costs of labour and material which then prevailed, only the dredging and filling were undertaken, the balance of the work being deferred. In view of the great development of traffic to and through the port of Vancouver your Directors have decided that the construction of the pier should now be proceeded with. The total estimated cost is approximately $4,000,000, which will be spread over a period of eighteen months to two years. Your approval of the necessary expenditure will be asked.

9. In anticipation of your confirmation your Directors authorized capital appropriations, in addition to those approved at the last annual meeting aggregating for the year 1923, $3,543,017, and ask your approval to expenditures on capital account during the present year, as and when the conditions warrant such expenditures, of $6,769,066. Of this amount the principal items are:—

Replacement and enlargement of structures in permanent form	$ 505,115
Additional stations, round houses, freight sheds and shops, and extensions to existing buildings	901,576
Tie plates, rail anchors, ballasting, ditching and miscellaneous roadway betterments	1,124,230
Replacement of rail in main and branch line tracks with heavier section	1,286,857
Additional terminal and side track accommodation	719,916
Improving coaling and water facilities	211,746
Additional lining, Connaught tunnel	570,000
Mechanical Department, machinery at various points	303,020
Improvements in connection with Telegraph service	243,678

The balance of the amount is required for miscellaneous works to improve facilities and effect economies over the whole System.

10. During the past year a moderate programme of branch line construction in the Western Provinces was proceeded with, 231 miles of line being graded and 347 miles of track laid on lines the construction of which you had previously authorized. Your Directors are of the opinion that some further extensions should be built during the present year in order to supply much needed railway facilities to farmers in the Provinces of Alberta and Saskatchewan. All the branches have been carefully located in good territory and should develop considerable additional traffic. Your authority will be asked for proceeding with the construction of the following lines and for the issue and sale of a sufficient amount of Consolidated Debenture Stock to meet the expenditure, namely:

Leader Southerly Branch, Mileage 50 to 75.

Lomond Northwesterly extension of the Suffield Southwesterly Branch, Mileage 30 to 40.

An extension of the Archive-Wymark Branch to Coderre, 12 miles.

An extension of the Moose Jaw Southwesterly Branch from Consul Easterly, Mileage 60 to Mileage 97.

Amulet-Dunkirk Branch, 25 miles.

The requisite applications to Parliament are being made for the necessary statutory authority to construct such of the above lines, the charter authorities for which have expired or are expiring.

11. Arrangements have been made for the construction of an extension of the Tuffnell-Prince Albert Branch of the Manitoba and North Western Railway from Mileage 50 to Mileage 129. The Manitoba and North Western Railway Company has statutory authority to issue bonds not exceeding $40,000 per mile in respect of this Branch, which bonds will in the usual course be acquired by this Company with the proceeds of the sale of Consolidated Debenture Stock to be issued for the purpose.

12. The results of the year's operations of your British Columbia Coast Steamship service were the best of any year since this service was inaugurated many years ago. Your Directors feel gratified that the policy of development of the Coast business has more than justified itself, notwithstanding the discouragements of earlier years. In view of the proportions to which the business has grown and its probable future development your Directors decided to add two new vessels to the fleet, and contracts have been entered into for their construction and delivery early in 1925. The vessels will be 350 feet in length by 60 feet in breadth, will be oil burners and will have a sea speed of 21 knots. Their construction is rendered necessary by the fact that the "Princess Irene" and the "Princess Margaret," built in 1914, were never delivered to the Company owing to their being taken over by the British Admiralty.

13. The Canadian Pacific Steamships, Limited, have in 1923 continued to show improvement in services and in revenues, although many factors which militate against satisfactory operating results yet prevail. The world's ocean tonnage still exceeds trade requirements and financial conditions in Europe and labour unrest in Great Britain have had an adverse effect on steamship traffic. The various steamship companies, including those operating ships of government ownership, have worked in greater harmony, with the result that rates have been on a more stable basis, though still unsatisfactory from an earnings point of view, being less than in 1922 and on some commodities below the cost of transportation. This situation, however, is undergoing a gradual improvement.

The steamships of the Atlantic service show in comparison with the previous year an increase in gross earnings of $400,000 and a decrease in operating expenses of $320,000.

The vessels of your fleet operated on the Pacific by the Canadian Pacific Steamships, Limited, show an increase in gross earnings of $158,000 and a decrease in operating expenses of $425,000.

In common with the Atlantic fleet the operations of your Pacific steamers have suffered through excessive competition, and unfortunately there has been but little change for the better in the political and commercial conditions existing in China.

While the prospects of a considerable improvement in business with Japan were encouraging during the first part of the year, these were in a measure dispelled—temporarily, it is hoped—by the earthquake which occurred on September 1st and resulted in great loss of life and damage to property.

Your Company's steamer "Empress of Australia" was in Yokohama during the earthquake and resulting fire and rendered valuable aid and assistance in saving life, taking care of the wounded and feeding and clothing the refugees. The conspicuous gallantry and sacrifice of the officers and crew of the "Empress of Australia" have been recognized by the British and American Governments and by the Company.

14. The position of the holdings of the Common Stock of the Company as of February 1st of this year was as follows:

United Kingdom	50.73%
Canada	21.14%
United States	20.69%
France	2.95%
Other holdings	4.49%

15. The shareholders have been apprised of the loss sustained by the Company through the death of its Chairman, the Right Honourable Lord Shaughnessy, K.C.V.O., on the 10th of December, 1923.

The Directors feel it only fitting that the annual report should contain the resolution passed at the meeting of the Board on the 14th of January, 1924, in the following words:

"On the motion of the President, seconded by Mr. C. R. Hosmer and by a standing vote, it was ordered that the following be placed upon the minutes of the Company:

"It is with the profoundest sorrow that the Directors of the Canadian Pacific Railway Company find themselves called upon to record the death, on the 10th day of December, 1923, of the Chairman of the Company, the Rt. Hon. Lord Shaughnessy, K. C. V. O., in the seventy-first year of his age.

"Thomas G. Shaughnessy came to the service of the Canadian Pacific Railway Company in October, 1882 as General Purchasing Agent, and thereafter received successive appointments as follows:

January, 1884—Assistant to the General Manager.

September, 1885—Assistant General Manager.

September, 1889—Assistant to the President.

June, 1891—Vice-President and Director.

June, 1899—President.

October, 1911 — President and Chairman.

October, 1918—Chairman.

"Thus for a period of forty-one years he was in the very forefront of the Company's activities and for nineteen years of that period the Chief Executive officer of the Company and the record of his service is one of extraordinary devotion to duty, unflagging zeal, tireless energy and brilliant achievement.

"To his remarkable faculties of organization and administration, his prescience, his resourceful initiative and his indomitable courage are in large measure to be attributed the high state of efficiency in which the property of the Company has been maintained, as also the wonderful expansion and development of its operations until it has become with its manifold and widely diversified interests the greatest transportation enterprise in the world.

"His death has caused in the ranks of the Company a loss which seems well-nigh irreparable. The Directors especially deplore the loss of his counsel at the Board and the severance of the intimate personal relations which it has been their privilege to enjoy for so long a period. At the same time the country at large has lost one of the foremost of its leaders in thought and action, for while the affairs of the Company were naturally the late Lord Shaughnessy's chief concern, coupled therewith was a staunch loyalty to the Dominion of Canada and to the British Empire, in the interests of which he was ever ready to render any possible service and in recognition of which service he was created a Knight in 1901, a Knight Commander of the Victorian Order in 1907, and raised to the Peerage in 1916. It is therefore resolved:

"That the members of this Board deeply deplore the loss by death of their highly esteemed Chairman and colleague, the Rt. Hon. Lord Shaughnessy, K.C.V.O., and they desire to convey to the family an expression of their deep sympathy and condolence."

Your Directors appreciate that it is almost impossible to express in any adequate way the debt which they and the shareholders of the Company owe to the late Chairman, whose great abilities and untiring energy were devoted for so many years to the Company and its interests. They feel, too, that in the sorrow consequent upon his death there is this measure of solace that up to the very day of his passing there had been no diminution of those high qualities of mind and heart through which he had been enabled to accomplish so much and which were most deeply appreciated not only by his associates on the Board but by all Canadians.

16. As in former years, and with equal force, your Directors desire to express their appreciation of the loyal and efficient services of the officers and men of the Company. During the last few years, and none the less in the year just closed, the operations of railway companies throughout Canada have been conducted under conditions which were, to say the least, not normal, and during the last winter all companies were subjected to physical interruptions and extreme weather conditions which made the conduct of their operations difficult and at times hazardous. The work of the officers and the men which has contributed so largely to the gratifying results of the year's operations was in every respect consistent with the high reputation for efficiency and courtesy which they have earned.

17. The undermentioned Directors will retire from office at the approaching annual meeting. They are eligible for re-election:—

Sir Vincent Meredith, Bart.,
Sir Augustus M. Nanton,
Mr. Grant Hall,
Mr. W. N. Tilley, K.C.

For the Directors,
E. W. BEATTY,
President

Montreal, March 10th, 1924.

Canadian Pacific Railway Company
General Balance Sheet
December 31st, 1923

ASSETS

Property Investment:		
Railway, Rolling Stock Equipment and Lake and River Steamers		$627,754,957.[illegible]
Ocean and Coastal Steamships, Exhibit "A"		59,960,332.[illegible]
Acquired Securities (Cost): Exhibit "B"		130,343,[illegible]
Advances to Controlled Properties and Insurance Premiums		10,068,[illegible]
Investments and Available Resources:		
Deferred Payments on Lands and Townsites	$61,865,083.18	
Provincial and Municipal Securities	792,721.29	
Miscellaneous Investments, Exhibit "C," Cost	23,649,945.76	
Assets in Lands and Properties, Exhibit "D"	96,767,345.83	
		183,075,09[illegible]
Working Assets:		
Material and Supplies on Hand	$29,463,631.93	
Agents' and Conductors' Balances	2,768,793.07	
Net Traffic Balances	1,593,583.53	
Imperial, Dominion and United States Governments, Accounts due for Transportation, etc.	1,219,634.79	
Miscellaneous Accounts Receivable	7,399,691.94	
Cash in Hand	27,303,369.25	
		69,748,704.[illegible]
		$1,080,947,664.0[illegible]

LIABILITIES

Capital Stock:		
Ordinary Stock	$260,000,000.00	
Four Per Cent. Preference Stock	93,335,254.45	
		353,335,254.4[illegible]
Four Per Cent. Consolidated Debenture Stock		254,244,882.[illegible]
Mortgage Bonds:		
Algoma Branch 1st Mortgage 5 per cent.		3,650,000.0[illegible]
Current:		
Audited Vouchers	9,848,018.18	
Pay Rolls	3,902,812.19	
Miscellaneous Accounts Payable	13,049,261.59	
		26,800,091.9[illegible]
Accrued: Rentals of Leased Lines and Coupons on Mortgage Bonds		683,830.3[illegible]
Equipment Obligations		12,730,000.0[illegible]
Reserves and Appropriations:		
Equipment Replacement	6,421,218.53	
Steamship Replacement	15,925,378.29	
Reserve Fund for Contingencies and for Contingent Taxes	33,048,957.19	
		55,395,554.01
Premium on Ordinary Capital Stock Sold		45,000,000.0[illegible]
Net Proceeds Lands and Townsites		82,450,021.[illegible]
Surplus Revenue from Operation		131,393,041.7[illegible]
Special Reserve to meet Taxes imposed by Dominion Government		2,550,682.[illegible]
Surplus in other Assets		112,714,305.1[illegible]
		$1,080,947,664.0[illegible]

J. LESLIE, Comptroller.

AUDITORS' CERTIFICATE:

We have examined the Books and Records of the Canadian Pacific Railway Co. for the year ending December 31st, 1923, and having compared the annexed Balance Sheet and Income Account therewith, we certify that, in our opinion, the Balance Sheet is properly drawn up so as to show the true financial position of the Company at that date, and that the relative Income Account for the year is correct.

PRICE, WATERHOUSE & CO.,
Chartered Accountants (England).

Montreal, March 8th, 1924.

Fur Catch Salvation of Many Homesteaders

From Our Own Correspondent.

REGINA. — Hundreds, probably thousands, of needy Saskatchewan homesteaders, by means of a little trapping during the winter months, have been enabled to stay upon their farms and thus to provide themselves not only with the necessities of life, but also in many cases to finance, or partly finance their spring farming operations. Many a farmer, prosperous to-day, owes the fact that he is still in agriculture to the utilization of the fur resources of the province during the earlier years of his settlement, and many others are still adding considerably to their incomes by trapping.

Pelts numbering 1,462,288 and valued at $2,242,835.50, was the result of the twelve months' fur season ended June 30 last. There was a time before the advent of agriculture when the fur industry was the only resource, and furs the only export of this country, and it is plain that fur still ranks high as an item of income to the people of Saskatchewan.

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CANADIAN MINT HEAVY BUYER OF BULLION OF MINES

Receipts of Ontario crude gold bullion at the Ottawa mint in 1923 were: 640,535 ounces containing 509,757 ounces of fine gold, and 80,151 ounces of fine silver, the total valuation being $10,588,584.

CONTROL OF DOME IS AGAIN SUBJECT OF WARM BATTLE

Serious Charges Made by Committee Against President Boche, New York

The fight of Canadian and Rochester interests to bring about a change in control of Dome mines, is to be renewed at the annual meeting this year. The meeting falls on April 8 and a battle for proxies is now on. The opposition hopes to bring about a change in the board and switch the total business of the company to Toronto. Pres. Jules Bache, of New York, is the centre of the storm, as was the case at the last annual meeting. Rather a serious charge is made by the committee leading the fight against him, in their circular to shareholders. This involves the recent statement which showed the 46,666 shares, supposed to be in the treasury, issued and dividends paid on them. It is set up that when asked as to this the president said that the New York stock exchange requires a company, in the position of Dome, with some of its stock held in the treasury, to pay dividends on the full amount. The committee stated that it has made enquiries and are advised that there is no such rule. The contention of the committee is that Mr. Bache wanted the stock to be able to vote it at the annual meeting. They are going to prevent him doing so, if possible.

The fight over Dome is one of long standing. Many shareholders contend that because the president, acting as a self-appointed committee of one on finance, as they put it, undertakes to handle all the mine's finance, the mine suffers loss. When he places the funds out on call loans, he gets around 4 per cent., when the money is not working it is drawing 2 per cent. in the bank. The contention of the committee is that there are plenty of quickly negotiable securities available yielding 5 per cent.

The management of Dome is admitted to be the best. The property is in excellent shape. That there is a lack of confidence in the venture, is evidenced by the market range of the stock in proportion to yield as compared with McIntyre and Hollinger, is another contention set up.

Plenaurum Passes to Control of McIntyre

McIntyre now controls Plenaurum mines. A battle for this property waged for some time. Associates of Goldale and Kerr Lake owned 40 odd per cent., as did McIntyre. While Kerr Lake was operating the property, the fight to secure this well-located property waged. When Kerr Lake dropped its Goldale option the fight ceased. McIntyre gets the other interest at $1 a share, and will pay that price for other outstanding shares up to May 10. It is interesting to recall that when the battle was on, J.P. Bickell of McIntyre is said to have offered the other interest the mining rights of Plenaurum down to 2,000 feet for their share, and he would take below that level for his. McIntyre's deep mining effort is to extend northeast directly in line with the Plenaurum border.

NIPISSING STILL LEADING SILVERS

Shipments of silver of over a quarter million ounces were made by the following Northern Ontario mines in 1923:

Mine	Ounces
Nipissing	3,392,920
Mining Corp.	
S. Lorraine	2,190,550
Cobalt	890,227
Keeley	1,655,323
Coniagas	1,156,517
O'Brien	1,025,865
McK.-Darragh	387,614
La Rose	324,427

Silver mines were paid $217,578 for 822,830 pounds of Cobalt contained in shipments other than bullion.

Argonaut Encounters Excellent New Veins

Results which have added greatly to the value of the mine have been achieved on the Argonaut Gold Mines at Beaverhouse Lake, east of Kirkland, of late. Many new ore shoots have been opened up. Vein 204 has for 130 feet shown average values of $15 per ton. Vein 351, 50 feet of $17 ore. Vein 354 of over a width of 8 to 10 feet, shows values ranging from $10 to $27 ton. Vein 505 timbered stope, 40 feet, with ore good grade. A new shoot known as 542, recently opened up east of the older workings, showed on a trial treatment of 50 tons, an average of $12.80 per ton. This vein has been traced 700 feet long by diamond drill and when considered in conjunction with the older veins, 202, 352, 502 and 506, creates as the Northern Miner, Cobalt, says, a physical situation which is most reassuring to the Argonaut management.

SINK TWO SHAFTS

Continental Mines operating the Old Colonial Silver Mines, Cobalt, and holding a large group of claims North and East of the producing area in Kirkland Lake will sink two shafts to between 700 and 800 feet, at Kirkland, as soon as the snow is off the ground. All the needed equipment is on hand.

HIGH GRADE FIND

A high grade discovery at the Ruby silver property, North Cobalt, leased by Coniagas Mines is reported, some patches of commercial ore have been found, but the total results are not highly encouraging.

Many Mining Issues In a Strong Position

The mining market has more or less marked time for the past week. There have been some fair days and some bad days but no good days. Price advances have been negligible. The only group of note has been in Gowganda silvers, Castle and Capitol, due to a reported new find on Miller Lake-O'Brien which recently resumed operations.

Many mining issues are selling quite low at present time and brokers are calling clients' attention to this as they are bound to be among the first to rise on any market improvement.

Gold Production of Ontario for 1924 Rather Hard to Forecast

Many Changes in Mills Under Way and New Producer Likely Will Swell Total Before December

Gold production in Northern Ontario the last half of 1923 was just below a $23,000,000 a year basis. The only added producer was Argonaut. The last few weeks of the year saw even that total bettered when Vipond and Night Hawk mines started their mills. Now they are both talking of increasing, and Tough-Oakes-Burnside is seriously thinking about its mill. Hollinger will upset all ideas of production when it gets going right. Lake Shore will be going at 300 tons soon. Wright-Hargreaves should do something by the end of the year.

Shaft sinking on the Sylvanite is proceeding to the 1,000-foot level. This property located between Tough-Oakes and Wright-Hargreaves will probably be the next producer in the Kirkland area. In Gauthier township, the Argonaut mill turned out bullion during the latter half of the year. At Lardner Lake work is proceeding on the Crown Reserve and Associated Goldfields properties, and ore reserves are being blocked out preparatory to mill construction. In several other areas where gold has been found, development work was carried on, particularly in McNeill township, southeast of Porcupine which is traversed by two hydro-electric power transmission lines.

Gold production figures by mines for 1923 follow:

Source	Ore Milled tons	Bullion Shipped				Value including Exchange
		Gold Fine ounces	Content Value $	Silver Fine ounces	Content Value $	$
Porcupine—						
Clifton Porcupine	......	402	8,310	34	21	8,409
Dome	399,800	210,610	4,354,107	31,138	20,037	4,405,199
Hollinger Consolidated	1,366,352	502,680	10,391,324	86,058	55,088	10,622,262
McIntyre	291,428	122,528	2,532,867	28,721	17,262	2,583,336
Vipond Consolidated	2,623	1,149	23,760	182	116	24,532
Miscellaneous	......	138	2,747	14	9	2,857
Total	2,060,203	837,507	17,313,115	146,147	92,533	17,646,595
Kirkland Lake						
Kirkland Lake	45,449	10,746	222,153	1,471	949	223,989
Kirland Lake Proprietary	1,803	580	11,984	294	190	12,174
Lake Shore	23,203	26,430	546,369	1,918	1,231	557,186
Teck-Hughes	38,314	53,955	1,115,342	4,075	2,621	1,137,523
Wright-Hargreaves	79,242	36,370	751,782	4,968	3,197	762,761
Total	188,011	128,081	2,647,630	12,726	8,188	2,693,633
Miscellaneous—						
Argonaut (Gauthier tp.)	......	3,499	72,309	292	203	72,512
Contact Bay (Wabigoon l.)	915	143	2,947	57	36	3,012
Croesus (Munro tp.)	518	1,292	26,655	105	66	27,375
Other Properties	......	20	408	7	5	413
Nickel-Copper refining	......	976	19,522	....	....	19,522
Total	......	5,930	121,841	461	310	122,834
Grand Total	......	971,518	20,082,586	159,334	101,031	20,463,062

Railway to South Lorrain Assured

South Lorrain will have a railway. It will be built in from the T. & N. O. south of Cobalt. It will be completed this year.

This is good news for Cobalt, as well as the operators in South Lorrain. It will cut costs materially and save the erection of mills by companies with mills already at Cobalt.

SHAFT SINKING AT BALDWIN

The Baldwin Gold shaft sinking at property is being rushed forward. Two shifts are employed, the desire being to reach the 300-foot level as rapidly as possible. Lateral work will then be commenced east and west with the idea of cross-cutting and picking up the ore indicated at the 200-foot level. The engineer reports the shaft passed through well mineralized stringers of quartz close to the porphyry as the shaft was being sunk past the 263-foot level. F. S. Short has been appointed director, taking the place of James A. Cherry, who is still secretary-treasurer.

Gowganda Boom is Expected by Many

In discussing South Lorrain in the preliminary report of the Ontario department of mines for 1923, W. R Rogers, statistician says:

> "Similar geological conditions exist at Gowganda in the Miller Lake section. Recent success in South Lorrain is stimulating effort to further explore the Gowganda area."

South Lorrain is bein well taken up and many mining men are looking for a big boom to break in Gowganda this year.

SINK TO UPPER CONTACT

Sinking of a shaft to 200 feet has started on the Capital in Gowganda. This should cut the upper contact, Keewatin-Conglomerate. Later the lower contact will be sunk to.

EARNINGS MUCH BETTER

McIntyre's past eight months' operations show earnings $40,000 in excess of the total for the previous twelve months.

Natural Resources Lie Dormant While Tax-Collectors Confiscate Profits

From Our Own Correspondent.

MONTREAL.—Last year Consolidated Mining and Smelting Company paid to its shareholders dividends of $632,000, or 6 per cent. To tax-collectors the company paid $444,000, or more than 4 per cent. on its capitalization. Taxes have increased in three years as follows: 1921, $68,000; 1922, $253,000; 1923, $444,000.

This huge levy is because of large profits, but the profits are not abnormal considering the large capitalization and the hazard incident to mining. Moreover, on the basis of taxation before the war and on the same profits, the amount payable this year is six times as large as it would have been in pre-war days, according to the president, J. J. Warren.

In the face of this circumstance, is it any wonder that Mr. Warren finds it necessary to make this clear-cut statement in his annual report for 1923?:

"Your company, having the plant equipment and mines that you have, must carry on; but, what company or group of men having the large amount of money needed to make a mine in British Columbia, will take the risk of total loss in case of failure—which happens at least nine times out of ten—and face certainty of practically confiscatory taxation in case of success? If the provincial and federal debts were being reduced, it would be a different matter, but that is not the case. Therefore, unless and until a substantial reduction be made in the rate of taxation of the mining industry, it is not at all likely that those having the necessary money will embark in this very hazardous business. Meantime, private enterprise lags and the natural resources of the province remain dormant."

'PLANES WILL FLY INTO ROUYN

From Our Own Correspondent.

MONTREAL. — Laurentide Air Service has arranged to operate a flying boat service from Angliers to the Quebec Mining District for the transportation of prospectors, tourists and supplies. Large flying boats capable of carrying five people will meet all C. P. R. trains at Angliers. This will enable prospectors and tourists to travel to Rouyn in three quarters of an hour. This service will include regular stops where accommodation is available and start on or about May 15th

Lack of Iron Ore an Essential Weakness in Our National Fabric

By HON. CHARLES McCREA, Ontario's Minister of Mines.

There is no more important industry in the economic life of any nation or community than the iron industry. In Canada we have a large production of pig iron, but are dependent entirely for our iron ore on sources outside. The Nova Scotia furnaces get their ore from Newfoundland, those in Ontario from Michigan and Minnesota. This is an essential weakness in our national fabric which should, if possible, be eliminated. It does not arise from the absence of iron ore in Ontario, for our deposits are large and ample for our needs. Most of the ore, however, so far discovered is of low grade. There are good grounds for believing that deposits of workable ore are concealed beneath the banded outcroppings of Northern and Northwestern Ontario, but our main supplies of ores presently in sight require to be beneficiated by some suitable process before they can be economically charged into the furnace.

It is in the hope of giving life to the iron ore industry that the government has introduced into the legislature a measure offering financial aid not only to the beneficiation of iron ore, but to the mining of commercial ore which does not need beneficiation. The measure promises one-half cent per unit of metallic iron on such ores. The iron ore committee recommended a bounty of one cent, the Dominion government to provide one-half. If the latter government falls in with the suggestion, the total bounty will be one cent per unit of metallic iron on beneficiated ore, or on natural ore smelted in Ontario.

The mining of iron ore in a large way should mean heavy expenditures for opening up deposits, the construction of beneficiating plants, the employment of labor and capital on an extensive scale, the supplying of enormous tonnages of freight for our railways, and a great stimulation generally to business throughout the province. Huge draughts are yearly made upon the iron ore resources south of the line; last year about $61,000,000 tons of ore were moved down the lakes. An end will come to these reserves, and even now it is believed to be in sight. If no provision is made against this emergency our pig iron production will languish and perhaps cease. Patriotism and sound business, united in support of such a measure, will tend to develop our iron ore resources for our own requirements.

Mining Boom Now On!
Canadian Mining Stocks are Advancing—

	Low Price for 1923.	Jan. 28th, 1924, Quotation.
KEELEY SILVER	$1.60	$2.68
MINING CORPORATION	.85	3.62
VIPOND	.49	1.24
TECK-HUGHES	.83	1.33
NIPISSING	5.00	6.65
GOLDALE	.34	.44

FORESIGHTED buyers of the above stocks at the 1923 low prices now show big profits. The Boom is only just starting—it is good for several years' intense activity and permanent progress.

You can make profits, too—not by speculating blindly, but by keeping fully posted regarding Canadian Mining Facts.

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CLIFTON TO START MAY 1

Several carloads of building materials and camp and mining equipment are now being transported to South Lorrain by the management of Clifton Consolidated. Erection of camp buildings, including office, bunk-house, cookery, assay office, store house and blacksmith shop will be proceeded with as soon as the materials are landed at the property. It is expected that accommodation for the working force will be ready to permit of the commencement of preliminary work about May 1st. This will be confined for a month or two to surface operations in the way of trenching, stripping and sampling the vein exposures.

DEVELOPING IN LIMIT

Mining Corporation's operations should reach 300 feet depth on its claims in Gillies Limit this week, and lateral work will follow. Low silver values were found in the vein at the upper horizon. Oxford-Cobalt across the lake from the Mining Corporation property will soon resume.

Biggest Mine Operators in Ontario also Biggest Farmers

Tough Bros., Four of Them, With Harry Oakes, Developed First Mine in Kirkland—Have 5,000 Acres of Mining Land, 1,300 Acres Farming Land

By D. E. CUSHING,
Mining Editor, Financial Post.

Hunting precious metals is one method of taking riches from Mother Earth. Agriculture is another. It is rather a distinction to be Ontario's largest operators in one of these classes of mining, and among the largest in the second. To the Tough brothers, four of them, Tom, George, Bob and Jack, belongs this distinction. Briefly, they are developing some 5,000 acres of well-located mining lands, while, at the same time Tom and George operate farms totalling 1,330 acres.

The Toughs are the pioneers of Kirkland Lake camp. The word "the" is used advisedly, for they discovered, developed, and mined, the first gold vein found in that camp. They are the Toughs of the mine formerly known as Tough-Oakes, and now known as Tough-Oakes-Burnside, which should shortly again appear among the producers.

The Toughs came by their mining and farming honestly. Their father Thos. B., was a farmer in Hastings County, Ontario. He prospected as a side line. He discovered the first gold deposit in that county. The sons followed the father, only are first of all miners, and carry on farming as a side-line.

The Tough boys started prospecting just as soon as they could go with their father on scouting expeditions through the bush of Hastings and have been hard at it ever since. Tom and his father were early in the Sudbury district when there was a rush to stake copper claims, which afterwards turned out to be even more valuable for their nickel. It was while the two Toms were examining a reported silver find at Nipissing that Thos. B., Sr., was stricken with what is now referred to as "Flu" and died. That was 33 years ago George and Bob were early into Cobalt, South Lorrain, and Gowganda and later on all four brothers were among the early prospectors into what is now Kirkland Lake.

Many Ups and Downs

The story of the ups and downs, the trials, worries and cares, even to this day, stamps the Toughs as hardy pioneers, the kind that are constantly pushing back the hinterland, developing the forests and opening up rich mining areas that are bringing world-wide fame to the Dominion.

Their real story begins with George and Bob living at Swastika and Tom giving up a contract with Pedwell Lanky Lumber Co., Lions Head, Bruce Peninsula, to join them. Things had not gone well for Tom. He decided to risk all on a new start at Swastika with his brothers. That his decision required some nerve is evidenced by the fact that he had five children and no funds. Mrs. Tough even questioned the wisdom of this new venture in pioneering, but was glad to participate in the migratory movement when a neighbor across the street staged a timely suicide. Sale of the family furniture paid the railway fare and left six dollars as a nucleus of the new start, and the change was made in the middle of a northern winter. Their new home proved a thriller. One board frame covered with tar paper, an old tin stove, and boxes, for furniture. The pitch from the wood constantly blocked the pipes, and many times during that cold winter Mr. Tough found the fire out when he got home, and the atmosphere in the shack at zero. Later, Jack caught up with his brothers, and thus we have the four of them at Swastika. For a while they were contracting, among these tasks being the cutting of a road from Swastika into Larder. Harry Oakes, now president of the Lake Shore, was associate with them in this. Bill Wright, of Wright-Hargreaves, and Lake Shore, then lived at Swastika. Incidentally, the contractors never got paid for their task, other than the supplies they got while at work.

It was while on this job that the Toughs staked their first claims in South Lebel in the vicinity of what are now the King and Wood Kirkland.

History-Making Night

The night of January 7, 1912, was a history-maker for the Toughs. Tom and George met Harry Oakes in Doiges Store. Bill Wright had previously staked claims that are now Wright-Hargreaves mine. Tom was seeking some claims near Wright's holdings. Harry Oakes, in discussing the question with Tom and George, said he knew of claims that would be open soon. When asked how soon, he pulled out his watch, indicating that it would be a matter of hours. All prospectors know that stakings lapse at midnight. The property, he said, consisted of five claims to the east of Wright's holding. Tom urged that they immediately restake. This section had all been staked in the earier Larder Lake rush. After discussing the matter, it was decided to start out after midnight to be on the job and stake the five claims at daybreak. They did. It was 52 below zero, and 6 to 8 inches of fresh snow had fallen. It was a 9-mile tramp. They were there well before daylight. Harry Oakes staked the claims on the Lebel Tp. side, and the Toughs those on the Teck Tp. side. Part of this was done by candle light. Then the trio sat down to a frozen breakfast. Later, when the light became good, they discovered others camped on what are now the Burnside claims of the T. O. B. awaiting to stake the Buriss, or Tough-Oakes group. Disappointed, they re-staked the Burnside, though it was later found that they were not open. There were six other Buriss claims in South Lebel that were more highly regarded than the group of five. The trio started on after these. Crossing the ice on Gull Lake Creek, Harry Oakes got a ducking and had to dry his clothes a couple of times along the trail. The group of six were staked and on the 9th. To finish them up quickly. They were afterwards sold to a Haileybury syndicate, which still holds them. It might be incidentally noted to show how close these pioneers were pursued at the time, that they gave Bill Wright a quarter interest on the six claims to pay for recording them $65. Also that it was the six claims that are yet to make a mine that were first recorded and made safe.

FIRST ORE SHIPMENT

No story better pictures the trials and hardships of the pioneer miners and prospectors of the north, than that of how the first shipment of gold ore was taken out of Kirkland Lake. George and Tom Tough and C. A. Foster prepared the shipment of two tons from a float which George Tough found. They had no mill and wanted to get it out. Walter Little got his team in from Swastika to what is now the Teck-Hughes side of the Lake. He could get the wagon no farther. They led the team around the edge of the lake; cut a tote road from the other side through to the Tough-Oakes Mine; made a stone-boat; hauled the two tons of ore to the lake. Transported it across in innumerable canoe trips. Loaded it on the wagon; carted it to Swastika; shipped it to New Jersey and got $700 for their effort.

PIONEER'S CURE FOR RHEUMATISM

When Tom Toughs, one of the subjects of the sketch, moved to Northern Ontario, he was severely crippled with rheumatism. So bad was he that he could not walk for a month. Finally he decided to make a trip into the bush with his brother George, and Jim Beattie. It was about eight miles. The packsack got heavy, the snow was deep and it was about 50 below. He fell many times. He was almost despairing of ever living through it. He did though. But when they got to the camp they found someone had taken all the candles and the stovepipes. There was no door on the shack. A blanket hung part way down. George got supper in the dark, they ate and retired. That night Tom had his nose and ears and toes frozen as he slept. The next day he was so stiff that all he could do was keep the fire going in the pipeless stove. The next day he was better. The fourth his rheumatism had disappeared. It must have been frozen out of him. It never came back.

First Real Discovery

On February 26, George, Tom, and Jack Tough, started in to do assessment work on the Tough-Oakes claims. Locating their camp took two days. They were not at work more than three-quarters of an hour on actual assessment work on the 28th when George uncovered a quartz stringer 1½ inches wide and having fine showings of gold. The secret was carefully guarded. Jim McDougall, Cody, and a third, "Andy the Swede," were doing assessment work on the Burnside for an interest, and the Toughs had their eye on the Gull Lake property to the east. (They still have a big interest in this to-day.) Harry Oakes was in Montreal trying to make a deal for the claims, and they wired him not to sell. He had been offering the property for $200 a claim. They worked on into May. During that time, 8 to 10 engineers examined the property, and, without exception, turned it down. They, for the most part, represented big companies, and did not like the feldspar-porphyry formation. They called it granite then. Some of these engineers gave the owners the gratuitous advice that they were foolish, and wasting their time, that gold couldn't live in that formation. It was a case where lack of knowledge, coupled with the dire necessity of getting somewhere, proved an asset. Deaf ears were turned on the cold-water-throwing engineers. Despite this fact, the outlook was blue; they were all broke; they were hundreds in debt, and were at their wit's end to get supplies for their families and for their camp as well.

Find Rich Float

Sometime later, George, Tom, Bob, and Bob Smith, undertook to do assessment work on what is now the Sylvanite for Bill Wright for an eighth interest. They had located the point of attack, when it came a Sunday. Tom was washing the dinner dishes, the others were lounging about when George started off with his prospector's pick. In 20 minutes he was back. He had a piece of float and wanted to look at it with a mineral glass. It was very rich in fine gold. He had picked up on the Tough-Oakes what was afterwards called No. 2 vein on the contract. They all got their shovels and picks, and Sunday and all, went at it. After removing three or four feet of earth they showed up 300 to 400 pounds of float They worked on the vein and stripped 50 feet of it, averaging two and three inches wide that evening. The float proved very rich. It afterwards yielded $370 a ton. Things came fast after that. There were other new finds equally spectacular but there was always the problem of finance. Finally, they got in touch with C. A. Foster, at Haileybury, one of the pioneers of Cobalt, and he agreed to finance developments for a third interest. On July 13 the first payment was made and things began to hum. They first mined some rich ore near the surface. A few cars taken from an open cut yielded $11,000 to $17,000 a car. Power was the next problem, and, finally, Mr. Foster helped finance Peter Farrar on his Charlton development. A five-stamp mill was erected and $6,000 to $8,000 recovered monthly. It afterwards developed that the tailings retained most of the gold, though some of these were carried away in a spring freshet, the two-thirds that remained yielded $68,000.

Rich Tough-Oakes Vein

No. 2 vein was the daddy of the mine. It yielded about $1,500,000 and was mined until it was cut off by a lampropyre dyke. It might be noted that the present operators entertain the idea that they have recently picked up the downward extension of this vein on the 800-foot level. From then on the Toughs' and Harry Oake's interest shifted. Mr. Foster took control and made a deal in England for the sale of two-thirds interest for $1,000 000 to Kirkland Lake Proprietory. The Toughs and Harry Oakes started prospecting for new properties on which to spend their newly-acquired riches.

Harry Oakes proceded to develop his Lake Shore property. The Toughs figured in many other deals before they acquired and started developing their present large holdings.

They made the first discovery on the Sylvanite and sold their interest in that property for $20,000, taking cash and stock. They sold two-thirds interest in Gull Lake property for $40,000, and still retain an interest.

Harry Oakes made a strike on the Lake Shore. Tom and George heard of it. They hiked out during the night and at daylight looked over the find. Then they purchased the adjoining faction, 3⅞ acres, from J. C. Wade getting ahead of Harry Oakes by some hours. They sold the three acres to F. M. Connell and Shirley Craig for $6,000 Craig was later president of Lake Shore. The seven-eighth of an acre was sold to Teck-Hughes for cash and stock: The latter was sold around 96c., and thus this small parcel netted the stakers about $30,000. A small water claim in Kirkland Lake was sold to Kirkland Lake Gold for $15.600. Incidentally Tom and George were instrumental in finding the gold showing on claims which Sandy McIntyre was working, and thus the Teck-Hughes stands to-day.

Have Large Holdings

The Toughs continued prospecting. They staked part of Bidgood, Canadian Kirkland, Fidelity, part of the Gazelle Catherine, Goodfish, Tobico, and other properties in Katerine, McVittie, Boston Creek, Skeard, Porcupine, Matachewan, Gowganda and the Bosquet mine near Sudbury.

Two or three of these properties, especially Bidgood and Canadian Kirkland, are making good progress. Asked why they have scattered their holdings so much, they explain that they lost many golden chances in the developments of the early days by not having sufficient stakings. What was a success to most was to these pioneers more or less a failure. They would not be caught again. To-day any great development is almost bound to react favorably on some of their large and valuable holdings Every property has been carefully chosen from the viewpoint of geology and location. That their later stakings have not as yet proved sensational is explained by the fact that the development of new sections of the Kirkland camp has been retarded In the meantime they are pressing ahead a development, having spent some $800,000 on their properties to date.

That is the history of the Toughs' effort, briefly told. To-day they are busier than ever. They have proven good men for Ontario. They made a lot of money, but took it out of one property and used it to develop others. The province has benefited. Shareholders in their enterprises number in the thousands. The Toughs handle the affairs of these companies and take no salary for doing so, in many cases not even expenses.

Farming Enterprise

Their main farming enterprises are at Charlson, along the T. & N. O. George has 500 acres clear in one block. It was this tract that broke the big fire and saved many families at the time of the Haileybury conflagration. Fully 150 people took refuge there. George has 560 of his 820 acres cleared, and employs tractors in farming. Tom's farm is across the road, 480 acres, 150 clear. Tom also has 50 acres in Stamford, at the foot of Lundy's Lane, at Niagara. He helped push the New Stamford race track, which opened last year. He has raised fully a dozen of the best standard bred pacers and trotters that the province has produced in the last 10 years, and has four champions coming up now, including Ernest Patchen, Miss Brownie, Hal and Jean Grattan. Incidentally, he has a wolf, bear, moose, and red deer, denizens of the bush days, which he transported to civilization.

Bob and Jack are mixed up in many deals with their brothers Tom and George. Though involved, one with the other, back and forth, in hundreds of deals, the brothers are yet to have their first dispute. Another interesting sidelight on what kind of men they are is shown by the fact that though Tom had five children of his own he adopted three others. Jack had none. He adopted two, brother and sister. When they grew up he adopted three more, having none of his own. George and Bob each have large families.

EMULATED LOT'S WIFE. IT PAID.

Jack Tough tells a good one. An old horse in the camp became useless. A Swede was delegated to dispatch him. He decided to do it with dynamite. He led the nag away up the trail, attached a stick of dynamite to his head, lit the fuse and ran for dear life. When he thought he was at a safe distance, he turned, as did Lot's wife, to look. There was the nag at his heels, following him, with the fuse in the end of the dynamite stick sizzling away. He dove into the bush, just in time to escape joining the horse on its last trip.

KIRK GOLD TO SINK

Kirk Gold has just completed installation of its power house, etc., and will proceed with a shaft collar and new head frame. Boiler and two compressors are on the property. It is the intention to proceed at once with sinking to 300 feet. Because of developments on Lebel Oro on one side and the Burnside section of the Tough-Oakes to the west, the outlook for this property is steadily improving. A large break, traced for over 600-ft. in width, has been opened up on the property. Geologically Kirk Gold looks excellent. The T. and N. O. branch line croses the property.

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TOUGH-OAKES MAY BE RUNNING MILL SOMETIME IN APRIL

Development is Practically Forcing This Action on the Directors, Says Report

Tough Oakes Burnside should be milling by the end of April at the latest. This conclusion is reached from facts presented by a progress report on the mine sent out by Messrs Stobie, Furlong and Co. They point out that the station will be cut at the 1,000-ft. level this week and when this is done it is understood that preparations will be made for milling. As these preparations will be few, the mill being in excellent shape, it should not take long in getting under way.

Milling is practically being forced on the company, so excellent and extensive have been recent developments. This is pointed out in the statement on development just issued. Of far-reaching effect not only for the mine but for the whole of the eastern section of the Kirkland Lake camp, are the results recently obtained in development into heretofore unproven territory east of the diabase sheet. Several new ore shoots have been encountered on the fourth, eighth and ninth levels, while downward extensions of known shoots are living up to the camp experience by improving in width and values at depth.

The concluding paragraph of the statement just issued is significant. It states that it is not so much a question of proving Tough-Oakes to be a good mine, but the next six months will determine how big a mine this enterprise will become.

Progress has been rapid since Mgr. McDougall took hold. He has penetrated that barrier of uncertainty to the east of the producing section and brought in a winner. As the report says, progress in the last month has been greater than any monthly period for over three years.

The report in part:

"Development has established on the fourth level on No. 11 vein a high-grade ore shoot of about 150 feet in length, averaging over $20 for the full width of the drift. Cross-cutting and drifting are proceeding on the eighth level to develop the extension of this shoot. In addition, No. 3 vein on the eighth level has established another high-grade ore shoot not quite 100 feet in length, but of higher grade for the full width of the drift. On the ninth level, both east and west of the diabase sheet, the average excellent ore of the eighth level has been developed in two ore shoots. A greater stoping length has been determined west of the dyke; at least forty feet longer than on the level above. A new vein has been encountered east of the diabase on the ninth level, which is wider than the drift, and which the first returns indicate should mill in excess of $15 per ton.

"The mine is rapidly approaching the point where milling will be forced upon the management, although it is known that the directors are extremely conservative, and are expecting to have blocked out ore three years in advance of their milling requirements. Rapid progress has been made with shaft sinking, and the main shaft has nearly reached the 1,000-ft. point. It is expected that slashing for the station will be in progress next week. When the 1,000-ft. level has been reached, it is understood that preparations will be made for milling, and that the proven ore bodies will be blocked out down to this point. Shaft sinking soon thereafter will continue to over 1,300 feet.

"An important point in the last two months has been that good pay ore shoots have been established, both north of the main break, and south of the main break. This development has exceeded the expectations of the management in every way. We look for continued favorable development in this property for some time to come. As a matter of fact, our advices are that it is not so much a question of proving Tough-Oakes to be a good mine, but the next six months will determine how big a mine this enterprise will become."

KLONDIKE PLACERS FIGURE IN MERGER

British Capital Said to be Behind Big Plan to Amalgamate Concerns

From Our Own Correspondent.

VICTORIA.—A. N. C. Treadgold, for years a conspicuous figure in gold mine financing in the Yukon, is said to have merged some of the larger operators in Klondike. It is expected to give a tremendous impetus to placer mining. Treadgold, who makes his headquarters in London, is said to have effected an amalgamation which will bring under one head the Northwest Corporation, the Granville Power Company, with its important hydro-electric plant and resources, and the Dawson city public utilities. The idea is more economical and efficient operation. The companies involved possess some of the biggest dredges in the Yukon. Whether Yukon Gold Company with its vast placer claims and the Klondike Mines Railway are included in the deal is not definitely known, but they are mentioned. British capital is said to be behind Treadgold in this venture, which, if carried out, will constitute the most important piece of gold mine financing in the Yukon's spectacular history.

REFINANCE MONTREAL-ONTARIO

Montreal-Ontario mines is to be refinanced. The new capitalization will be $3,500,000. The proposal is to leave $1,000,000 in stock in the treasury. As the present capitalization is $5,000,000, this will mean that present shareholders will get one new for two old. Developments below the 500 are reported to be of a sensational character. Two veins are said to converge into one large ore body running 18 to 20 feet wide and carrying excellent values. It is said that a decision of the engineers, that sinking to the 750-ft. level immediately, brought about the early decision to refinance.

New Nickel Tax Bill Passed by Legislature

The new Ontario mining taxation measure, designed to place the nickel mines of Sudbury on the same basis as the precious metal mines, has been finally passed by the legislature. Nickel mines, since 1916, have been subject to a scale of taxes on profits one and two per cent. higher than the gold and silver mines. Hon. Chas. McCrea contended that this was an unfair condition to maintain in view of the change in the nickel industry. Prices now being received for nickel are away below the war-time prices. Mr. McCrea wanted to do everything possible to keep the mines going full blast, thus giving employment to large forces of men at the mines, and also at the refineries, two of which are now located in the province.

Mining Stock Quotations

Week Ending March 25.

	High	Low	Close Mar. 25	Close Mar. 18
Argonaut	56	51	52	55
Baldwin	5	3¾	5	4½
Beaver	30½	28	29¼	29½
Bidgood	10½	10½	10½	10½
Capitol	38	31½	38	32
Castle Tre.	78	72	78	77
Coniagas	2.15	2.10	2.16	2.15
Cons. Smelters	38	37	37	37
Cons. W. D.	26	24	24¾	25¾
Clifton	8½	8	8½	7½
Crown Res.	64	63	64	63
Dome Mines	18.90	18.50	18.75	18.65
Everett	13½	12	13	12¾
Goldale	26½	22	23½	25
Hollinger	12.45	11.80	12.35	11.95
Hunton	9	5¼	9	6
Indian	25	15	15	29
Keora	10½	9½	9½	10½
Keeley	2.35	2.30	2.33	2.33
Kirk. Lake	24½	21	23½	22
La Rose	20	18½	18½	20½
Lake Shore	3.86½	3.80	3.86½	3.85
Lorrain, T. L.	1.27	1.25	1.27	1.26
Lorrain	19	15	17½	18¾
McIntyre	16.75	16.25	16.65	16.75
McKinley	16	14	15½	15½
Mining Corp.	3.51	3.43	3.44	3.48
Montreal, Ont.	14¼	9	9	14
Newray	37	35¾	35¾	35½
Nipissing	6.55	6.35	6.45	6.50
Night Hawk	94	85	85	94½
Presto, E. D.	13	12⅝	13	13
Teck Hughes	1.25	1.22	1.25	1.24
Thomp. Krist.	6	5¾	6	6½
Tough Oakes	71½	68½	70	72
Trethewey	14¼	13	14¼	13¾
Vickers	19	19	19	19
Vipond Cons.	1.23	1.18	1.23	1.23
Wettlaufer	23½	21	22½	24
Wright Har.	3.05	2.80	2.85	3.85
NEW YORK PRICES				
Inter. Nickel, com.	13⅝	13	13⅛	13½
OIL COMPANIES				
B. A. Oil	35¾	35½	35¾	35½
Imperial Oil	111	110	110½	110
Inter. Petrol	19½	18⅞	19½	19½
Mutual Oil	12	11⅝	11⅞	12⅛

B.C. MINES BECOME ACTIVE OF LATE

Following Notes Deal With Many Operations Getting Under Way

From Our Own Correspondent.

NELSON.—Interest in the Sheep Creek district has increased since Charles Olsen, working Summit mine, uncovered the famous Sheep Creek payshoot which in other years made history for the district.

The Isaac mine at Brisco and Paradise at Invermere have become steady shippers, both having sent forward recently several cars of silver-lead ore to the smelter at Trail.

Gladstone mine near Waneta shipped four cars of carbonate ore and one of galena to the smelter of the Bunker Hill and Sullivan company at Kellogg, Idaho.

At Greenwood the Providence has 20 men working and some high-grade ore has been taken out.

On Jack of Spades property a tunnel is being driven to cut the ledge. Ore uncovered is reported to carry good values in gray copper, gold and silver.

A Spokane syndicate headed by Andrew G. Larson will operate the Lucky Jim lead-zinc mine and will start operations in the near future. Matt Ulvila, Pt. Arthur, Ont., superintendant of the property years ago, will resume charge.

Mollie Hughes mine at New Denver has made its first ore shipment to the Trail smelter this year, sending out 35 tons of high grade silver-lead.

A shipment of high grade has been made to Trail from Strathmore mine near Greenwood. A Nelson syndicate managed by A. J. Morrison is operating.

A fresh body of high grade copper is reported at the copper mine near Cranbrook.

Pilcher Creek mining syndicate will operate its placer claims on Wild Horse Creek.

Bell and Sally mines at Beaverdell have shipped ore recently.

Millie Mack mine near Burton has taken out a large shipment of ore.

Stemwinder property, leased by M. S. Davis and O. C. Thompson, is to have a mill at once. Mr. Davis is also interested in Hewitt mine at Silverton and is, in addition, developing the Black Bear properties at Kaslo.

The Granite-Poorman lease at Taghum has been renewed by the Kkotany Gold Mines to D. H. Norcross, W. Norcross and the Jerome brothers.

A native silver find has been reported from the Strathmore Mine, Greenwood. A shipment to the smelter is stated to have run as high as $150 to the ton.

Eholt Mining Company owning Combination Mine at Greenwood, will resume operations on an extensive scale.

Paradise Mine at Invermere recently shipped a car of high grade silver-lead ore to Trail smelter.

J. C. Roberts and G. S. Millar, of Portland, Wash., arrived to complete arrangements for the re-opening of Daybreak Mine, near Keslo.

Discovery of a large body of high grade zinc ore is reported from the Galena Farm property at Silverton.

Good ore has been disclosed on the Sarah properties at Wynndel, being operated by James Tiyo.

Ottawa Mine in the Slocan has become a steady ore shipper and recent cars have been of the highest grade yet sent forward.

TO EXPLORE IN ROUYN

Heavy exploration efforts are indicated by the supplies Huronian Belt Co. is shipping to Rouyn. The company has several claims in the Pelletier Lake section.

CUT NEW VEIN

Harvey-Kirkland cut a vein four feet wide at 400-ft. level. It is well mineralized with pyrite and molybdenite.

PLANS FOR CASTLE

Plans for the Castle silver operations, Gowganda, are that mining will resume this week, and milling will commence early in April.

McKINLEY MAKES PRODUCTION MARK

From Fourteen Acres Has Taken Out Over Twenty Million Ounces

McKinley-Darragh report for 1923 shows a treasury of $169,393. Current assets are $249,603. The company, whose Cobalt property is about through, made a profit of $43,595 on operation. Overhead cut this to a net of $16,439. Silver production, 406,931 ounces, was produced from 24 different veins. The average recovery was 9.57 ounces to the ton with costs at $5.42 per ton. McKinley has now produced 20,326,367 ounces, practically from 14 acres.

Manager McCloskey says:

"There is sufficient rock broken in the mine to operate the mill about four months, and stoping operations on known ore bodies will yield a fair tonnage of low grade material. There are several pillars and floors of levels which contain a very good grade of ore, some of which will be very difficult to mine."

NICKEL MINES DO WELL ON PLATINUM

Recovery of Metals of This Group Are Highly Important to Jewellers

Two nickel-copper mines of Northern Ontario, International Nickel & B. A. N. C. recovered $340,935 in precious metals in 1923. Mond figures are not available. Platinum was the biggest item and this is due to the fact that in 1923 platinum at New York averaged $116.53 an ounce.

In 1913 platinum was worth $45 per ounce Troy. The rise in price since that date was due to the extensive use of this precious metal during the war, and to the elimination, practically, of the Russian supply. In addition to these economic causes, an excessive demand comes from new uses, particularly jewelry. The National Retail Jewellers' Association of the United States is renewing efforts to have platinum standardized in order that the fineness may be shown as so many parts of the unalloyed metal. This is for the protection of the purchasing public, as in the case of gold. The United States output is less than 1,000 ounces per year, while the demand is 10,000 to 15,000 ounces. In 1920, Ontario's output (recoveries by the Mond and International companies) were as follows: Platinum, 8,345 ounces; palladium, 10,199 ounces; and rhodium group metals 522 ounces. In view of the above, it will be seen that Ontario's nickel-copper ores are important as a source of platinum metals. The 1923 precious metal figures are:

Metal	Troy oz.	Value
Gold	976.10	$ 19,522
Silver	54,074.6	34,536
xPlatinum	1,209.69	127,018
Palladium	1,732.42	118,902
Rhodium and Iridium	304.	40,957
Total		340,935

x Average New York price for the year, $116.537 per ounce.

Copper Producers Are Much More Cheerful

Copper producers are more cheerful. The price has now passed 14c. compared with a recent low around 12¼c.

Copper has been selling at 15 per cent. below pre-war level notwithstanding the great increase in cost of production since 1914 on top of a 20 per cent. increase in world's consumption. Practically all the increase in production has come from old mines, as aside from Katanga and Otavi in Africa no entirely new ore bodies of importance have been developed in the last 15 years. It would require more than five years to develop a new copper property to a point where it could produce any great tonnage of metal. Therefore, consumers for several years to come will have to depend on mines already operating.

It is predicted that electrical development over the next 10 years will be record-breaking and there should be a corresponding increase in copper consumption. Many large mines have reached their limit in production. Others can make little if anything on 13-cent copper. Consumption, which is at a new high record continues to equal production, which is also larger than ever before.

REFINANCE KIRKLAND LAKE GOLD

Evidently Teck-Hughes has lost out on the Kirkland Lake Gold deal. By the same token the shareholders of the latter may yet get a run for their money. The capital is to be increased from $2,000,000 to $5,000,000 and it is reported that $500,000 new funds are assured being subscribed by Beaver Consolidated and the Anglo-French Mining Syndicate of which J. B. Tyrrell is representative in Canada. It is reported that the plan is to sink to 2,000 or 3,000 feet.

The new capital will be $4,000,000 common, $1,000,000 10% non-cumulative preferred. New funds totalling $450,000 will be advanced for $500,000 pref., and 1,000,000 shares common with option on another million. Beaver gets $500,000 pref. for money advanced previously.

HIGH GRADE AT CROWN RESERVE

Rienhardt Syndicate, working on a royalty basis at Crown Reserve, Cobalt, is taking out high grade.

AUCTION OFF OLD PRODUCER

NELSON.—Providence Mine, Greenwood, offered at a forced sale brought a $2,500 bid which was rejected and the sale postponed for 60 days. J. Kerr's $2,500 bid was highest. He protested cancellation of the sale. Advertisements did not specify that it was subject to reserve. A mortgage held by the Chicago Title and Trust Company forced the sale. The Providence Mine figured largely in early mining history of the Kootenay and produced profits of about $1,500,000 years ago.

High Price of Lead Helping B.C. Concerns

VICTORIA.—Production of lead in British Columbia, which last year was double what it was two years ago, is still rapidly increasing, and the industry's prospects were never brighter than they are to-day. The average lead quotation last year was 7.3 cents, and at the present time it is more than 8 cents, as against an average of 4.6 cents for the ten years before the war. The indications are that the quotations will increase rather than decline. The operations of the Sullivan mine have been an important factor in the increase of the province's lead production, and this producer is only just beginning.

REVOLUTION AND FREE LOVE IS URGED FOR THE DOMINION

(Continued from page 1)

securing memberships. Mr. Justice Kelly says of this:

"—they expressed and deported themselves in such a manner as to justify the belief that they were in harmony—though it is now apparent from the evidence that, following the designs of a class of agitators, they kept secret their real intentions and views."

He proceds to add that when they got control they seized upon, confiscated and appropriated to their own use and purposes, and in connection with what is known as the Ukrainian Labor Temple at Winnipeg, the society's property and assets. The change that this action brought about is well described in the judgment.

The Union Jack gave way to the red flag of revolution. The peaceful educational events heretofore staged in the society hall gave way to the Red harangues of the agitator and the revolutionist. In this connection, Justice Kelly outlines the fate of the society as presented by the plaintiffs' action:

"—these interlopers departed from the original purposes and aims of the society as set out in the constitution and acted upon by its earlier members. The first outward manifestation of their real intent was their objection to the use by the society of the Canadian flag and Canadian patriotic songs and their insistence that only the red flag of revolution be used. Then came the introduction into the society's library of books of communistic tendency and the expulsion from the society of a member on the sole ground that he was a church member; and above all was their sympathy with the principles inculcated by those who proclaimed the doctrines of revolution."

In summing up the evidence, Mr. Justice Kelly quotes one E. Hucaluk, connected with the Winnipeg organization, as having stated at a mass meeting in the hall that:

"The only saviour of the labor class is the red army. This is the same gentleman who, in describing publicly the results he said would follow the introduction of communism, is sworn to have advocated free love, and to have stated that under that system there would be a state communistic cradle for the care of children, thus emancipating women from that part of their maternal duties. Other pronouncements said to have been made by these agitators were to the effect that only such communistic conditions as existed in Russia were suitable for the working people; that those who disagreed with these conditions were traitors to the working people; that in Canada within a year there would be a revolution such as had taken place in Russia and that the rights of the people would be obtained by force and in respect of marriage, under the expected new conditions, it was said that a system would come with the new order of things, by which marriage unions and the annulment thereof would be effected by mere registration."

He further adds that the evidence:

"It establishes beyond doubt the existence of a deliberate design by defendants to acquire by improper means—in effect by force—the property and assets of the Prosvita Society,—with the deliberate intent of converting it and its belongings to uses and purposes of a dangerous character and altogether destructive of the spirit, purposes and intentions of the founders and their legitimate successors. That these interlopers are and have been in direct communication and connection with and are now under the direction of an organized body whose doctrines are a menace to Canadian citizenship is a reasonable deduction from the evidence."

Other Evidence

While not necessary to the decision which he had reached, though corroborative of the situation as he found it, Justice Kelly thought it would be of interest and serve a useful purpose to put on record further evidences of the defendants' association with the Ukrainian Labor Temple and the principles and doctrines promulgated by that organization. He quoted at considerable length from the minutes of the Winnipeg convention, and the reports in the Ukrainian Labor News, controlled by the Labor Temple. These revealed plans to replace school books with handbooks from Soviet Ukraine. But most interesting as throwing light on the principles of the Reds were copies of greetings sent to the Winnipeg convention. These are given by the court finding as follows:

"Long live Socialist Union of Soviet Republics."

"Consult comrades, for the good of our laborers' matters and for the destruction of the capitalistic class. I am with you in the struggle for the retention of the world's proletariat."

"Let world revolution live; let the Third Communistic Internationale Live."

"Death to blood-thirsty capital."

"Comrades, we wish you success in your consideration as to the final victory above the rotten and needless capital of the present world. Let in its place the workingmen's and farmers' Soviet of the whole world live. Let Soviet Republics live."

"Let the Third International live, let Soviet Republics live."

"Our region is occupied with strike. We happen to see and live through all those notorious ideas of democracy in all its greatness and nakedness. An excellent lesson. Comrade strikers behind the democratic grates; their wives with broken ribs, hands and feet and numberous blues and broken heads; their abandoned children without guard of parents that have been arrested; as also comrades who daily are expecting the same fate—call upon you to further unceasing work in the way of class struggle. Go bravely ahead, work for the general good and we are with you in spirit. Let the moans and lamentations of our comrade, heroines, and the cry of the orphans be a stimulus for you. Consult and decide, and we shall try to realize these your decisions. Let the world proletariat live."

"Remember comrades the words of our teachers Marks and Engels."

"I wish you best success in deliberation for the achievement of those principles for which the proletariat of the world with the Third Internationale at its head is struggling."

"Let our guiding star, the Third Internationale, Live."

And more to the same effect. Even the school children participated. From the children's labor school at Edmonton came this expression:

"Think, decide for the good of labormen's schools. Let the provocators in robes and without robes perish."

And this from a women's organization in Calgary:

"We wish that in 1923 all working men and women be united under the Red Flag and would conquer what rightly belongs to them. Let the Third Internationale live, which is the guiding star for all working people, and together with it let Soviet Republics live."

The result of the judgment is that the defendants are restrained from using the property and assets of the society for other than its original purposes, and from any attempt to alienate, transfer, or otherwise deal therewith. The original name of the society is also to be restored.

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Detroit United Railway Company's Annual Statement

President's Report

Highland Park, Michigan,
March 18th, 1924.

TO THE STOCKHOLDERS OF DETROIT UNITED RAILWAY:

In submitting my Second Annual Report, I have touched upon those questions that seem to me to be most important for the consideration of the Stockholders and have discussed these questions with frankness.

The question as to whether the situation of the Company is satisfactory, or otherwise, is to some extent a relative one and involves a comparison of the existing situation with the situation that existed when the present Board of Directors and Executive Officers assumed direction of its affairs in February, 1922.

The sale of the Company's "City System" of railways was forced upon the Company at that time and the reasons which rendered such sale necessary were outlined in my last report to you.

The sale price of the "City System" was $19,850,000, but the City had taken over, under the so-called day-to-day agreements, the provisions of which gave it the right so to do at an arbitrated price—thirty miles of track and considerable equipment. The price fixed by arbitration for this property was $2,297,277, which amount was paid to the Company in December, 1921.

The Company's current accounts and bills payable for items such as material, supplies, coal, power bills, etc., had been partially deferred over a considerable period of time and they had accumulated to an amount that absorbed all but $500,000 of the payment of $2,297,277 received for the day-to-day lines referred to, and still left at the end of the year 1921 unpaid current accounts and bills amounting to $1,098,336.

The task that confronted your Board of Directors when they assumed direction of the affairs of the Company in February, 1922, was to gather together and strengthen the remnants of a great railway system, urban and interurban, that had been dismembered, and, through an efficient operating organization, which we have had, in a measure, create and cause a railway system to function successfully under new conditions.

Whether or not this has been done successfully, you will be able to form some opinion from the Balance Sheet of the Company, which is submitted herewith and will be found at pages 10 and 11 of this Annual Report. This Balance Sheet is based upon the valuation of the Company's physical property made as of December 31, 1922, under the direction of the Michigan Public Utilities Commission of the State, by engineers selected by them.

Upon examination of the new Balance Sheet attached, which shows a surplus of $4,434,786.95, after providing for all liabilities, including Capital Stock Liability, the attention of the Stockholders will naturally be directed by an inquiry in their own minds as to why the Company carries so large an amount in "Notes Payable," namely, (See "Current Liabilities"), $2,402,750 and that there may be an understanding about this, I make the following explanation:

When the "City System" of the Company's property was contracted to be sold to the City of Detroit, there was outstanding a class of securities of the Company commonly referred to as the "7 Per Cent. Note Issue" of the Company, then amounting to $4,400,000. The security for this Note Issue was Treasury Assets of the Company, a considerable item being $2,500,000 of the 4½ Per Cent. Consolidated Bonds of the Company in its treasury when the sale of the note issue was made—in 1918.

When the first payment was made under the "City Purchase Agreement" of $2,700,000, $2,000,000 of this amount was used to call an equal amount of the 7 Per Cent. Notes outstanding, and later, out of the balance of the City cash payment and other resources of the Company, $1,400,000 more of these Notes were called (in two calls—one for $500,000, and later, one for $900,000), leaving outstanding, when the Notes matured, $1,000,000 thereof. When the $2,000,000 of these Notes were called, there was surrendered $2,500,000 of the 4½% Consolidated Bonds, which were forwarded to the Guaranty Trust Company, Trustee, and cancelled. This balance of the Note Issue referred to—$1,000,000—matured April 1, 1923. There were no funds available to retire them, and, consequently, we borrowed from our banks $1,000,000 for this purpose. This is a part of the item of $2,402,750, above referred to as "Notes Payable," outstanding December 31, 1923.

The balance of these Notes outstanding represent for the most part the purchase of bonds, which were a charge against the "City System" of the Company, that we are compelled to retire out of the moneys to be paid by the City on the purchase price of the property. These payments amounted to $500,000 semi-annually, with the right upon the part of the City to pay all or any part of the balance on thirty days' notice. In the beginning, under Mayor Couzens' direction of affairs, payments on the City purchase price were anticipated; that is, were made before the time fixed for the semi-annual payments of $500,000; and we found it necessary to accumulate bonds to be ready to take down money that would be paid by the City, as we had to tender each time the City made a payment, in order to take the money down, an equal amount of the bonds of the Company that were secured by lien against the property contracted to be sold.

So you will understand that this considerable item of $2,402,750 does not in any sense represent borrowings for the operations of the Company, but mainly fixed obligations that were outstanding at the time the Contract was made with the City.

Likewise, I would like to direct the attention of the Stockholders to the items in the Balance Sheet also under "Current Liabilities" and the sub-heading, "Accounts Payable."

The largest item of these accounts, as you will see by reference to the statement, is $1,000,693.14 owing to the City of Detroit for track rentals, etc., for the use by the interurban cars of the tracks sold to the City. There is an amount due the Company from the City for similar claims, amounting to $583,441.26, leaving a net balance on this account of $417,251.88. On the Asset side of the Balance Sheet (under heading "Current Assets"), you will find an item of $725,000, which is owing by the City to the Company for material and supplies that were on hand at the time the Contract of Sale was entered into, and was adjusted at $1,375,000, of which amount $650,000 has been paid by the City. The item $583,441.26 is in part in controversy and has been submitted to arbitration.

Again, you will note that there is (under heading "Current Liabilities") an item of "Sundry Accounts Payable," amounting to $640,570.96. This is a larger amount of outstanding accounts than we expect to carry, under ordinary circumstances, but, in this connection, it should be borne in mind that it stood at $1,098,336.38 at 31st December, 1921, and that there has been, since 1922, in the aggregate a large amount disbursed for extraordinary claims—claims not accruing in connection with the current operation of the Company's properties.

When the "City System" was sold to the City, there were outstanding an accumulation of claims for injuries and damages to passengers and others—by our cars operating in the City over a period of years.

It was roughly estimated that $750,000 would be required to adjust these claims. From the date of this sale and up to December 31, 1923, there has been $699,320.66 paid, including the expenses, salaries, etc., of the Claim Department in adjusting same.

There were no funds available to pay these claims at the time of the sale and they were not included in the item above referred to—"Accounts Payable"—at December 31, 1921. They had to be paid out of the general income and resources of the Company.

Under a law enacted at the 1921 Session of the Legislature of the State of Michigan, it was provided that the Public Utilities Commission of the State should, by engineers to be selected by it, "make survey studies and valuations" of all public utility properties for the purpose of enabling it to fix, in our case, rates of fare for the transportation of passengers and fixed the basis for making such rates of fares, viz., "sufficient to cover operating expenses, including maintenance and depreciation and a fair return on investment—measured by the value of property employed in the public service—this fair return has been fixed at 7%." This law became effective August, 1922. The work of the engineers was completed about July, 1923. The expense, under the law, had to be paid by each public utility and we have paid down to December 31, 1923, $380,725.18. This was a cash disbursement, which will be amortized and charged over a period of ten years into operating expenses by direction of the Public Utilities Commission.

The agreement under which the City System was turned over to the City in 1922, provided that our Company should have the right to operate its cars over the tracks, sold at a price to be fixed by agreement, or, failing in that, by arbitration. The City made a claim that the Company should pay, for the use of these tracks and the power used in operating our cars over them, thirty-six cents per car mile; that is, thirty-six cents for each car for each mile of track over which the car was operated. We regarded this as wholly unreasonable and, in consequence, the arbitration provided for resulted. It continued over several months and was only completed near the end of last year. As we were using the tracks, etc., of the City, we included in our cost of operation fifteen cents per car mile, instead of thirty-six cents as claimed by the City, and when the arbitration award was made, it resulted in our being required to pay between sixteen and seventeen cents per car mile, instead of the thirty-six claimed by the City and of the fifteen that we had included in our operating costs.

The expense attending this arbitration was considerable and, together with special engineering reports and other extraordinary items, disbursements to the amount of $79,417.22 were made during the year 1923.

To recapitulate—we give below the items of the extraordinary expenses referred to:

Reduction in outstanding bills and accounts payable between December 31, 1921 and December 31, 1923	$ 457,765.42
Disbursements for injury and damage claims existing prior to December 31, 1921	699,320.66
Disbursements to Public Utilities Commission account of cost of appraisal, etc., in 1923	380,729.18
Cost of Arbitration Re rental of tracks, special engineering ,and other expenses	79,417.22
	$1,617,232.48

In the matter of Outstanding Bonded Indebtedness as at December 31, 1921, and December 31, 1923, there was a reduction of $4,696,000 toward which the first payment made by the City on the Sale Contract of the "City System," $2,770,000, was applied; in addition, $500,000, out of the $2,297,277 paid for the day-to-day lines in December, 1921; the balance, $1,426,000, came out of the general resources of the Company, not including any borrowings

From the same source we disbursed, on account of Capital Expenditures upon the property of the Company for the year 1922, $477,306.74—$345,004 of which was recouped by receipts from the sale of real estate, leaving a net amount for 1922 of $131,906.74, and we disbursed from the same source, during 1923, on Capital Account, $576,942.93, making a net total for the two years, on this account, of $708,849.67. There were no borrowings on either secured or unsecured loans to cover these disbursements.

So you will see by what I have said that the financial obligations of the Company, secured and unsecured, have been very substantially reduced during the past two years.

As to the item of $1,000,000 included in "Notes Payable" at December 31, 1923 ($2,402,750), representing the same amount ($1,000,000) of 7% Notes outstanding prior to 1922, it is the plan of the Board of Directors to retire that out of a new loan that it is intended to make at a comparatively early date. This loan will also retire the entire bonded indebtedness outstanding covering the Interurban properties, which are directly owned by the Company, approximating $3,500,000. The only bonds which will then be outstanding on your Interurban lines will be those of your Subsidiary Companies A Decree of the Court, recently affirmed by the Supreme Court, has allocated the securities as between the City property and the Interurban, so that the above-named amounts, approximating $4,500,000, will, as stated, clear the bonded indebtedness of the Interurban properties directly owned by the Company, and as well cover the $1,000,000 item carried in "Notes Payable" on account of the 7% Note Issue.

As stated, it is intended to make a new bond issue of $7,000,000 or $7,500,000 to cover these items and leave a balance of over $2,500,000 for improvements and extensions—principally extensions—to which subject I will refer later in this report.

During the past two years, and especially during the past year, I have heard reports, which must have been based on rumor, that the Company was not earning its dividend; that is, the 6% dividend that the Stockholders have been receiving since September, 1922.

I confess it occasions surprise to me, in view of the extraordinary financial burdens that had to be met for other purposes, that we have been able to pay these dividends—not because of inadequate current earnings, but because of the extraordinary disbursements we were called upon to provide for and pay—and, in view of the reports referred to, I set forth below the "Earnings Statement" of the Company for the year 1923, showing, according to the statement, "Net Earnings" of $863,646.20, applicable to payment of dividends—the amount of which aggregated $921,000.

DETROIT UNITED RAILWAY
AND SUBSIDIARY COMPANIES
Statement of Earnings and Income for the Year Ending December 31, 1923

The following is a summary of the business of the Detroit United Railway, Detroit and Port Huron Shore Line Railway, Detroit, Monroe and Toledo Short Line Railway, Detroit, Jackson and Chicago Railway and Detroit United Railway Trucking Company, for the year ending December 31, 1923:

PARTICULARS		Amount
Gross Earnings from Operations:		
Passenger		$7,257,895.07
Freight and express		1,548,388.97
Mail		19,194.04
Special car		38,121.43
Total gross earnings from operations		$8,863,599.51
Deduct—Operating expenses		7,243,270.76
Net earnings from operations		$1,620,328.75
Add—		
Proportion of interest received with respect to balance owing by City of Detroit for purchase of company's city properties	$220,831.41	
Other income	652,751.11	873,582.52
Gross income, less operating expenses		$2,493,911.27
Deduct—		
Interest on funded and floating debt	$1,789,387.90	
Less—Proportion of interest received with respect to balance owing by City of Detroit credited upon the books of the company to interest on funded debt	732,787.48	$1,056,600.42
Taxes		573,664.65
Together		$1,630,265.07
Balance—		
Income for the year transferred to surplus account		863,646.20
Profits on purchase of 4½% Bonds during 1923 used to take down payments made by the City to Security Trust Co.		78,784.14
		$942,430.34

The item of $78,784.14, which we have treated as "Profits" applicable to payment of dividend, the accountants, as a matter of accounting practice, credit "Surplus" under the sub-heading: "Add—Discount on Securities retired"—$78,784.14. The transaction, out of which this "Profit," as we have treated it, and "Discount on securities retired," as the accountants have treated it, was as follows:

As has been stated, we were required to have in hand, whenever a payment was made by the City, bonds that were secured by lien against the property sold to the City to take over the cash payment made by the City. Among the bonds that were eligible for this are the 4½% Consolidated bonds outstanding. We acquired from time to time and used to take down payments made by the City, bonds of this class, at a price around 85 to 87½, and took down cash paid by the City under the Contract, to the par amount of the bonds delivered up for cancellation. This, of course, was permissible only because the amount remaining unpaid by the City exceeds the par amount of all the bonds allocated to the City property; so that it will be seen there was no reason why we should not take down the cash at par of the bonds, and it was so provided for in the Agreement. The bonds so used were not bonds that were treasury bonds of the Company, but were purchased for the express purpose of effecting the transaction as other bonds have been purchased and held, as above herein outlined, for the same purpose. Notwithstanding the accountants' method of dealing with this matter as "Discount on securities retired," we feel quite justified in having treated the matter as "Profits" earned during the year 1923, applicable to the payment of dividends.

Some of the Stockholders who are dealers in bonds seem to have been somewhat pessimistic or critical, as the case may be, and to have, in a veiled way, criticized the management for paying a dividend which required the use of some $220,000 of profits on the Contract of Sale to the City, being the difference between 6% on the purchase price remaining unpaid, that the City has been required to pay us, and the amount that we, in turn, were required to pay as the interest on the bonds allocated to the City property. This, with the $78,784.14 referred to as Profits on the purchase of bonds to take over cash payments from the City, approximates $300,000.

The critics referred to have asserted that the confident prediction that the writer has made—that these dividends can be continued—was not warranted for the reason that there is a possibility that if the City may pay off the entire amount of the balance remaining unpaid on our Contract, then the profits referred to would cease. Standing by itself, this is a criticism that might be warranted if there were not at hand or in certain prospect some other income that would make up for the possible loss referred to in such a contingency.

My statement as to the ability of the Company to continue to pay the dividends now being paid is based not upon speculation but upon fact that seems to me to warrant the forecast.

It must be borne in mind that during the past year, 1923, there was a large increase in the rates of wages of platform men and other employees. This increase in the labor cost became effective by agreement August 1, 1923, but the increases were made retroactive to May 1, 1923. These increases are reflected in the operating costs of the Company during the year 1923, and aggregate, approximately, $400,000.

It was not until nearly the end of 1923 that we got any relief by way of increase in rates of fare to compensate for this increased expense. Indeed, as to the Rapid Railway, one of our principal properties, that rate has not yet become effective.

From experience to date, as to passenger traffic carried and revenues received therefor, the indication is that the increase in the passenger revenue from the increased rates of fare will amount to about $600,000—considrably more than double the amount of the profits that are being realized under the City Purchase Contract above referred to.

In addition to the foregoing, we have formulated plans to alter, in some important respects, our present methods of operation that will save us from three to five hundred thousand dollars per year. It will take from three to six months to give effect to these plans.

We have had—and you have had exaggerated accounts of it—difficulties to contend with on account of motor bus and truck competition. I do not in any way wish to minimize this competition, but with an experience now extending over nearly two years in dealing with this competition, I feel that it is not going to defeat our expectations of a profitable operation of our properties.

The troubles that have presented themselves by the competition referred to, have resulted in our developing another source of revenue that promises to be almost, if not quite, as important as the passenger revenue, namely, the revenue from the carriage of express and freight.

During the year 1923 our revenue from this source amounted to $1,548,388. When the financing above herein referred to is completed and we have available in the neighborhood of two and one-half million dollars to provide for needed extensions, filling in gaps, etc., I am confident that the traffic referred to—freight and express revenues—will be doubled within a year.

The study and formulation of plans in this connection have consumed much time but the plans are now well matured and ready to be carried forward to execution, but in a report of this kind it would take too long to tell the story in detail.

In conclusion, I would say, in view of the many misleading reports that have gained currency from sources unknown to me, that unsettle and disturb the Stockholders of the Company, and in many cases have caused them to sacrifice their interests by the precipitate selling of their stock,—I will be pleased to furnish to Stockholders any further information material to the consideration of their interests that may be desired. I deem it important, not only the interests of the Stockholders, but the management of the Company, that the Stockholders from time to time have as full information as to their property as will enable them to judge intelligently as to their interests.

Respectfully submitted,

ELLIOTT G. STEVENSON,
President.

DETROIT UNITED RAILWAY
AND SUBSIDIARY COMPANIES
Consolidated Balance Sheet as at December 31st, 1923

ASSETS

Property Account:			
Land, buildings, plant, equipment and other permanent investments as appraised by the Michigan Public Utilities Commission as at Dec. 31, 1922	$33,980,613.00		
Deduct—Value of properties destroyed by fire during the year ending December 31, 1923	130,661.00	$33,849,952.00	
Add—Net expenditures on capital account during the year ending December 31, 1923		576,942.93	
Together		$34,426,894.93	
Less—Reserve for depreciation and accruing renewals—Provided during year ending Dec. 31, 1923		533,826.40	$33,893,068.53
Sinking Fund Investment:			
Cash in hands of trustee		$2,285.37	
Bonds in hands of trustee:			
Detroit United Railway 8 per cent bonds due August 1, 1941 (at par)	$329,000.00		
Detroit, Fort Wayne and Belle Isle Railway 6 per cent. bonds due April 1, 1927 (at par)	43,000.00		
Detroit United Railway 4½% bonds due January 1, 1932 (at par)	49,000.00	421,000.00	423,285.37
Other Investments:			
Hydro-Electric Power Commission of Ontario bonds (at par)	$189,000.00		
Less—Underlying bonds of The Windsor and Tecumseh Electric Railway Co.	189,000.00		
Balance owing by City of Detroit with respect to sale of company's city properties as of May 15, 1922, $500,000.00 payable on June 1 and December 1, of each year, from June 1, 1924, to December 1, 1931, and $7,580,000.00 on December 31, 1931		15,580,000.00	
Land sales contracts		85,000.00	
Stock of Industrial Morris Plan Bank (at cost)		8,250.00	
Cash deposited for redemption of bonds, etc.		20,950.14	
Cash in hands of trustee for redemption of Detroit, Rochester, Romeo and Lake Orion Railway bonds		5,000.00	15,699,200.14
Inventory of Materials and Supplies on Hand			794,301.82
Current Assets:			
Accounts receivable:			
Balance due from City of Detroit with respect to materials and supplies purchased	$725,000.00		
Sundry accounts receivable	110,579.60	$835,579.60	
Notes receivable		96,416.67	
Accrued interest receivable		120,088.64	
Cash on hand and in banks		148,166.99	1,200,251.90
Deferred Charges to Future Operations:			
Prepaid interest and taxes		$117,545.36	
Unexpired insurance premiums		88,200.00	205,745.36
			$52,215,853.12

DETROIT UNITED RAILWAY
AND SUBSIDIARY COMPANIES
Consolidated Balance Sheet as at December 31st, 1923

LIABILITIES

Capital Stock				
Authorized—Common—250,000 shares of $100.00 each		$25,000,000.00		
Issued:				
153,576 shares			$15,357,600.00	
6,960 fractional stock warrants of $2.50 each			17,400.00	$15,375,000.00
Bonded and Debenture Debt:				
Detroit United Railway 4½% bonds due Jan. 1, 1932:				
Certified by trustee		$13,995,000.00		
Less—Bonds held in treasury		1,845,000.00		
In hands of public			$12,150,000.00	
Underlying bonds on property of Detroit United Railway		$8,100,000.00		
Less Bonds held in treasury		423,000.00		
In hands of public			2,677,000.00	
Detroit United Railway 8% first mortgage collateral sinking fund gold bonds due August 1, 1941:				
Authorized		$5,000,000.00		
Certified by trustee		$3,914,000.00		
Less—Bonds held in treasury		305,000.00		
In hands of public			3,609,000.00	
Underlying bonds of subsidiary companies			8,655,500.00	27,091,500.00
Purchase Money Obligations in Respect of Real Estate Purchases				361,795.58
Current Liabilities:				
Notes payable (secured by deposit of treasury securities)			$2,402,750.00	
Accounts payable.				
Amount due to City of Detroit for privilege of operating on city's tracks, etc.	$1,000,693.14			
Less—Amount due from City of Detroit for privilege of operating on company's tracks, etc.	583,441.26	$417,251.88		
Sundry accounts payable		640,570.96	1,057,822.84	
Accrued pay roll			187,238.06	
City purchase certificates of deposit, series "B," maturing June 1, 1924, and bearing interest at the rate of 6% per annum (secured by deposit of a like amount of treasury securities)		$500,000.00		
Less—City purchase certificates of deposit, series "B," in treasury deposited as collateral to loans		500,000.00		
Accrued interest on bonds			$199,979.18	
Accrued taxes, interest, etc.			58,146.78	
Unredeemed tickets			36,084.21	
Unredeemed bonds			5,000.00	3,946,971.07
Reserves:				
For contingencies			$100,000.00	
For injuries and damages			397,580.44	
For bond discount			308,219.08	
For Federal taxes			200,000.00	1,005,799.52
Surplus:				
Balance at Jan. 1, 1923, as adjusted and after giving effect to the revaluation of the properties by the Michigan Public Utilities Commission			$5,067,562.08	
Add—Income for the year ending Dec. 31, 1923, before making provision for depreciation		$863,646.20		
Discount on securities retired (net)		78,784.14	942,430.34	
Together			$6,009,992.42	
Deduct—Appropriation for depreciation for the year ending Dec. 31, 1923		$533,826.40		
Amount credited to contingent liability reserve		86,949.20		
Loss on properties destroyed by fire during the year 1923		33,074.37		
Dividends paid—6%		921,355.50	1,575,205.47	4,434,786.95
Note—Dividend of 1½% declared Dec. 28, 1923, payable March 1, 1924, has not been deducted from surplus account.				
				$52,215,853.12

To the President and Directors of

THE DETROIT UNITED RAILWAY:

We have audited the books and accounts of the Detroit United Railway and its Subsidiary Companies for the year ending December 31, 1923, and we certify that, in our opinion, the attached Consolidated Balance Sheet is properly drawn up so as to show the true financial position of the Company and its Subsidiary Companies on December 31, 1923, and that the relative Income Account is a correct statement of the results of the operations for the year ending on that date.

PRICE, WATERHOUSE & CO.,
Public Accountants.

Detroit, Michigan, March 18, 1924.